Solicitation for Offers
for Housing Program Management Services
Related to Disaster Recovery

Part I. Administrative and General Information

1.1 Background

The State of Louisiana through the Office of Community Development (OCD) is receiving funds through the Community Development Block Grant (CDBG) Program for disaster recovery necessary due to Hurricanes Katrina and Rita. The Louisiana Recovery Authority (LRA), which is statutorily responsible for policy development related to federal hurricane recovery funding, has proposed a program to assist owners called *The Road Home* Housing Program. CDBG funds for disaster recovery are overseen and managed by the Office of Community Development (OCD). Pursuant to implementing *The Road Home* Housing Program, OCD seeks to hire a firm to provide the services described in the Scope of Services contained in **Exhibit A.**

Impact on Housing Stock

The Office of Gulf Coast Rebuilding, based on data made available through FEMA, estimates that 123,000 owner-occupied homes and 82,000 rental units in Louisiana were destroyed or suffered major damage. For a detailed analysis of the damage to the housing stock along with preliminary estimates of insured and uninsured losses, see **Exhibit B**. A more comprehensive document on housing damage estimates is available under the "reports" section of the LRA website at www.lra.louisiana.gov/reports.htm.

1.2 Purpose

Pursuant to the authority of Executive Order KBB 05-66, the State of Louisiana is seeking competitive proposals from firms that wish to act as Program Manager of the Homeowner Assistance and Small Rental Property Repair programs described in the Action Plan Amendment attached as **Exhibit C** and in accordance with the Scope of Services and Project Schedule. See Part IV of this Solicitation for Offers (SFO). The selected Program Manager will act as the State's agent to operate Housing Assistance Centers, conduct outreach, accept and process applications for financial assistance, verify applicants' eligibility, determine amounts of assistance in accordance with State guidelines, provide advisory services to property owners, negotiate purchases and sales of properties (or assignments or options), assist owners in clearing land titles, create/maintain a comprehensive management information system, provide for a process for mediation of disputes between vendors and homeowners, and perform other duties as required to manage the program and comply with all federal, state and local laws, regulations and contractual requirements. The State expects to award a prime contract from CDBG funds awarded to the State, contingent upon the Housing Program Action Plan Amendment being approved by the U.S. Department of Housing and Urban Development. The Program Manager should anticipate that the program will be increased to serve the additional needs of the damaged housing in the affected areas once the Congress has approved President Bush's request for an additional $4.2 billion in CDBG funds.

The contracted work will commence with a task order for Phase 1 work. Coordinating with the Program Manager, the State will take full responsibility for processing commitment letters and payments for assistance, monitoring the program, and performing internal audit functions.

The contracted work is anticipated to have three phases and six sub-phases as follows.

Phase 1: Start-up
- a. Homeowner Assistance program (Months 1-2 following contract initiation)
- b. Small Rental Property Repair program (Months 1-4)

Phase 2: Full-scale operations
- a. Homeowner Assistance program (Completion of Phase 1 through Month 30)
- b. Small Rental Property Repair program (Completion of Phase 1 through Month 24)

Phase 3: Close-out
- a. Homeowner Assistance program (Months 31-48)
- b. Small Rental Property Repair Program (Months 25-32)

All contracts shall be construed in accordance with and governed by the laws of the State of Louisiana. The parties to the contract for services will be the successful Offeror and the OCD or OCD’s assignee.

1.3 Schedule of Events

Event	**Date & Time**
SFO issued to prospective offerors	April 10, 2006
Deadline for submitting offers	April 28, 2006 before 3:00 p.m. Central Time
Deadline for submitting questions	April 16, 2006
Deadline for response to questions	April 21, 2006
Oral discussions with offerors, if applicable	To be scheduled
Notice of Intent to Award	Anticipated May 15, 2006

Note: The State of Louisiana reserves the right to deviate from these dates.

Part II. Offer Information

2.1. Offer Submittal

This SFO is available in electronic form at the LaPAC website at http://wwwsrch2.doa.state.la.us/osp/lapac/pubmain.asp. It is available in PDF format or in printed form by submitting a written request to the Office of Community Development.

Offerors may submit a maximum of ten written questions (no subparts to questions) concerning this SFO. Questions must be submitted via email to Susan Elkins, Director, OCD at suzie.elkins@la.gov, no later than 5:00 p.m. April 16, 2006. Any potential offeror may make a written request to receive answers to all submitted questions by that same deadline, providing an e-mail address for response. Answers to questions should be provided through email to those persons so requesting by April 21, 2006.

All offers shall be made in hard copy, signed in the original, and received and date stamped by the Office of Community Development on or before 3:00 p.m. Central Time on Friday April 28, 2006. Five additional copies should be provided.

Offerors are hereby advised that the U.S. Postal Service does not make deliveries to our physical location.

Offers may be mailed through the U.S. Postal Service to our box at:

Office of Community Development
Division of Administration
P.O. Box 94095
Baton Rouge, LA 70804

Offers may be delivered by hand or courier service to our physical location at:

Office of Community Development
Division of Administration
Claiborne Building, Suite 7-270
1201 N. Third Street
Baton Rouge, LA 70802

Important -- Clearly mark outside of the envelope, box, or package with the following information and format:

Offeror Name: Offer for Housing Services Related to Disaster Recovery
File Number: ________________________-SFOOCD

Offeror is solely responsible for ensuring that its courier service provider makes inside deliveries to our physical location. The Office of Community Development is not responsible for any delays caused by the offeror's chosen means of SFO delivery.
Offerors should allow time to be photographed and presented with a temporary identification

badge to satisfy security requirements for the Claiborne Building.

Offeror is solely responsible for the timely delivery of its offer. Failure to meet the offer receipt date and time shall result in rejection of the offer.

2.2. Offer Response Format

Offers should be submitted in letter-size (8-1/2” x 11”) format with a type font of Times-Roman or similar and a minimum font size of 12 points. Offers should follow the format and order of presentation described below:

A. Cover Page

The following information should be included under the title “Solicitation for Offers for Housing Program Management Services Related to Disaster Recovery”:

1. Name of the firm
2. Firm address
3. Firm telephone number
4. Firm federal tax identification number
5. Name, title, address, telephone number, fax number, and email address of contact person authorized to contractually obligate the Offeror on behalf of the firm

B. Offer

1. Introduction (transmittal letter)

By signing the letter and/or offer, the offeror certifies that the signatory is authorized to bind the offeror. The offer should include:

a. A brief statement of the firm’s understanding of the scope of the work to be performed.
b. Confirmation that the firm has or will obtain the appropriate state business license(s).
c. Confirmation that the firm has not had a record of substandard work within the past five years.
d. Confirmation that the firm has not engaged in any unethical practices within the past five years.
e. Confirmation that, if awarded the contract, the offeror acknowledges its complete responsibility for the entire contract, including payment of any and all charges resulting from the contract.
f. Any other information that the Offeror feels appropriate.
g. The signature of an individual who is authorized to make offers of this nature in the name of the firm submitting the offer.

2. Firm Description, Capacity, Qualifications and Relevant Experience

The proposal should:

a. Describe your firm by providing its full legal name, date of establishment, type of entity and business expertise, short history, current firm ownership structure and any recent (since January 1, 1999) or any materially significant proposed changes in ownership.

b. Describe all major engagements during the past 10 years in which your firm has rapidly started up to implement any business or governmental activity with annual expenditures in excess of $200 million. For each engagement, list the length of time between the award of contract and the start of the implementation activities.

c. Describe all major engagements during the past 10 years in which your firm assisted a governmental entity in managing the delivery of disaster-related assistance.

d. Describe all major engagements during the past 10 years in which your firm has assisted a governmental entity in managing the delivery of public/private financing packages and/or advisory services for home improvements, home replacements, home purchases, and/or property acquisition/disposition for community development purposes. For each engagement, indicate whether the end users included homeowners or small-scale rental property owners.

e. Describe any other experience or characteristics of the firm which would be uniquely relevant in evaluating the experience of your firm to handle the proposed project, with particular regard to its scale and the State's goal of rapid implementation.

f. Describe your firm's presence in Louisiana and commitment to hiring Louisiana residents and subcontractors who employ or will employ Louisiana residents.

g. State whether the firm has, in force, insurance coverage that meets the requirements of Section 14.0 in Exhibit D of this Solicitation, or if the firm does not currently meet the requirements, its ability and commitment to obtain all required insurance coverages.

h. Provide a brief statement describing the adequacy of the firm's financial capacity to handle the requirements of this SFO. As **Attachment A**, provide the firm's most recent balance sheet and income statement certified by the firm's chief financial officer, and provide an audited financial statement for the most recent fiscal year for which an audit has been completed.

i. As **Attachment B**, provide a descriptive list of all criminal convictions in the past 10 years or active investigations or prosecutions in which the firm or any of its officers, directors, or management personnel were or are defendants or targets of investigation.

j. As **Attachment C**, provide a descriptive list of all civil lawsuits in the past 5 years in which the firm or any of its officers, directors, or management personnel were or are plaintiffs or defendants with claims in excess of $100,000.

k. The State reserves the right to request any additional information to assure itself of an Offeror's financial status, qualifications, capacity and experience.

3. Start-up Team

a. Provide a chart or table describing all current and proposed staff members of the firm and staff members of proposed subcontractor firms who would be assigned to Phase 1 of the program following the award of the contract, their roles (in a word or a phrase), and the percentage of full-time equivalent (FTE) work each staff member would commit for this engagement during Phase 1, and where the individuals will primarily be working, whether in Louisiana or another location. Include in this chart or table all contract management and human resources staff who will be dedicated to recruiting and hiring subcontractors and/or additional staff to be assigned to this work. Also include all staff who will be dedicated to securing facilities and equipment, as well as the development of management information systems.

b. On the list described in Paragraph (a) above, identify the members of your staff who would be assigned to act for your firm in key management and field positions providing the services required during Phase 1.

c. In another chart or table contained in the narrative of the Offer (not an attachment), provide brief biographical information, not to exceed 300 words, of each staff member described in Paragraph (b) above. Describe in 100 words or less the functions to be performed by each key staff member during Phase 1. Full resumes and recent relevant engagements of each such staff member should be included in **Attachment D**.

d. Estimate: 1) the total number of persons to be assigned to Phase 1 of the project, and of these, 2) the total number expected to be working in Louisiana and the number working elsewhere.

4. Senior Program Management Team

The State expects that the start-up team proposed will be complete and qualified to execute the start-up tasks. However, the State also recognizes that otherwise qualified firms may have to recruit some of the Senior Program Managers because of the unique scope and scale of the program. Therefore, the State will seriously consider proposals that either identify qualified Senior Program Managers, that describe the method of recruitment of Senior Program Managers, and that describe any Senior Program Managers that will be temporarily assigned to get the project started expeditiously while recruitment of permanent staff is taking place. If any such Senior Program Manager has not been identified in the proposal, the State expects to approve the selection of that manager. The State assumes that each Senior Program Manager may be employed by the Offeror's firm or a subcontractor.

For each of the proposed Senior Program Manager positions, if the personnel is identified at the time of the Offer, provide biographical information (not to exceed 300 words) and identify the Manager's employer (Offeror firm or name of subcontractor firm) in the narrative of the Offer and attach resumes in **Attachment E.** For each position for which the Senior Program Manager has not been identified, the Proposal should describe in the narrative of the Offer how the firm or a subcontractor will recruit for <u>each</u> position and the target dates for starting full-time work for <u>each</u> position.

The following is a sample of how the senior management structure might be proposed. Offerors may propose alternative management structures, explaining the reasons for doing so.

a. Program Chief Executive
b. Homeowner Assistance Program Manager
c. Homeowner Advisory Services Director
d. Small-Scale Rental Assistance Program Manager
e. Real Estate Acquisition and Disposition Manager
f. Land Title Verification and Clearance Manager
g. Information Technology Manager
h. Subcontracts Manager
i. Budget and Financial Manager
j. Communications Director
k. Professional Services Registry Director
l. Chief Legal Counsel
m. Property Lien Director
n. Facilities and Equipment Manager

In **Attachment F**, the proposal should provide a proposed job description for each senior management position, not to exceed half a page of text.

5. Organizational Charts

The Proposal should:

a. Provide an organizational chart indicating the chain of command from the Chief Executive Officer of the Offeror Firm to the Program Chief Executive.
b. Provide a set of Preliminary Program Organizational Charts indicating the staffing—whether by the firm, through subcontracts, or both—of all positions required to implement the program, including the title of the position and the numbers of FTEs proposed to fill each position. It is recognized that the State and the Offeror may negotiate changes to these charts during contract negotiations.
c. Provide a table listing <u>each</u> position in the Preliminary Program Organizational Chart, including the following information about <u>each</u> position:
    - Title of position
    - Employer of position (Offeror firm or name of subcontractor)
    - Number of FTEs filling position that are estimated to be on the staff of the Offeror firm
    - Number of FTEs filling position, to be provided by an identified subcontractor
    - Number of FTEs filling position, to be provided by a subcontractor to be recruited.

- Number of FTE positions estimated to be located in Louisiana.
- Number of FTE positions estimated to be located outside of Louisiana.

6. Subcontractors

The Proposal should describe any proposed subcontractors as follows:

a. Full legal name, date of establishment, type of entity and business expertise, short history, current firm ownership structure and any recent (since January 1, 1999) or any materially significant proposed changes in ownership.
b. Describe all major engagements of each proposed subcontractor during the past 10 years that are relevant to the subcontractor's proposed functions, in two typewritten pages or less.
c. Describe any other experience or characteristics of each proposed subcontractor which would be uniquely relevant in evaluating its experience to handle the subcontractor's proposed functions, with particular regard to its scale and the State's goal of rapid implementation.
d. Describe each subcontractor's commitment to and strategy for hiring Louisiana residents and subcontractors who employ or will employ Louisiana residents.
e. State whether the subcontractor has in force insurance coverage that meets the requirements of Section 14.0 in Exhibit D of this Solicitation or if the firm does not currently meet the requirements, its ability and commitment to obtain all required insurance coverages.

7. Approach to Executing the Scope of Work

The Proposal should describe the firm's approach to executing the Scope of Services described in Part IV of this Solicitation. If an offeror wishes to propose an alternative scope of work, the firm should do so, following the outline of the Scope of Services in Part IV as closely as possible. If the offeror proposes alternatives or refinements to the Scope of Services described in Part IV, these should be attached as **Attachment G.**

8. Approach to Mission-Critical Service Delivery Tasks

The Proposal should:

a. Describe the proposed mechanisms for delivering services, e.g. through new offices operated by the Program Manager, through the facilities of subcontractor firms (such as financial institutions, housing counseling agencies, or accounting firms), or via telephone, via a website, via mobile offices, or other means.
b. Specifically describe the strategy, methods, and timeline that the offeror proposes to use to provide services in approximately 20 locations to in-state and out-of-state owner occupants and rental property owners. Include a

staffing plan for a typical office that will provide walk-in services to these clients.

c. Describe the offeror's strategy for leasing or otherwise providing necessary office space and mobile vans as Housing Assistance Centers and for back-office functions.
d. Describe the firm's strategy for providing back-office functions, such as accounting, information technology, etc.
e. Describe the firm's strategy for recruiting, hiring, training, relocating and providing temporary or permanent housing for staff of the program who may be expected to relocate to specific program locations.
f. Describe any other strategies or "work-arounds" that the offeror proposes to overcome the challenges of staffing this major operation in markets that have little or no available housing.
g. Describe the strategy for recruiting and hiring any subcontractors that are essential to the program's success but have not yet been identified. Such subcontractors may be described generically, for example, as "local financial institutions, Certified Public Accounting (CPA) firms, title companies, insurance adjustment firms," etc.
h. Describe the strategy for assuring fiscal controls will be effective, for preventing fraud and abuse, and for complying with state and federal guidelines.
i. Provide the number of fixed-site centers proposed and the hours of operation.
j. Provide the number of mobile units proposed and hours of operation.
k. Describe the strategy for integration of assistance to applicants by phone and in-person.
l. Describe the strategy for assuring continuity of staff working with an applicant.
m. Describe the strategy for assisting applicants not residing in the affected parishes.

9. Project Schedule

The proposal should provide a proposed Project Schedule, conforming to the schedule described in Section 4.3 of this Request for Proposals (below) and indicating estimated volumes of tasks/milestones completed by month:

a. Number of homeowner applications completed.
b. Number of homeowner commitment letters issued for compensation, incentives or buyouts (presuming due diligence and underwriting has been completed).
c. Number of advisory sessions completed with homeowners assisting with repair, replace, relocate, sell options.
d. Number of buyout transactions completed.
e. Number of sales of purchased properties completed.
f. Number of competitive application rounds completed for small-scale rental program.

g. Number of small-scale rental program applications completed.

h. Number of loan closings completed with small-scale rental property owners.

i. Number of rental housing units represented by closings in Paragraph 2.2 (B)(9)(h).

Note: It is expected that all transactions with homeowners and owners of small rental properties will be completed prior to the close-out phase. If an offeror wishes to propose an alternative schedule, the firm should provide it in Section 9 of the offer, following the form of the Project Schedule in Part IV as closely as possible.

10. Fee Offer

Offerors must provide two fee offer amounts: one for the Partially Funded Program and one for the Fully Funded Program, as described in the Action Plan Amendment (see Exhibit C). For the Homeowner Assistance Program, the Offeror should anticipate an estimated 67,000 Units of Service for the Partially Funded Program, and 55,000 Additional Units of Service for the Fully Funded Program. For the Small Rental Property Repair Program, the Offeror should anticipate 9,500 Units of Service for the Partially Funded Program, and 7,200 Additional Units of Service for the Fully Funded Program. The fee offer amounts in Parts A and B below will be used to establish the contract amounts for Parts A and B. The contract amount established for Part A will be in effect until such time as additional funds are appropriated by Congress and granted to the State, at which time the contract amount established for Part B will be added to the contract amount. Because the actual number of Units of Service can only be estimated, offerors must provide "add-on" and "deduct" prices for additional or fewer Units of Service as described in the table below.

Offerors must submit Fee Offers using exact replicas of the following two tables, and must enter numbers in each cell containing a dollar sign.

A. FEE OFFER FOR PARTIALLY FUNDED PROGRAM

	Estimated units of services to be provided	Price for All Services	Price for additional units of service (above estimated number of units)	Price deduct for any fewer units of service (below the estimated number of units)
Phase 1 price		$		
Phase 2 units-of-service:				
Repair/Replace/Relocate (unit equals one homeowner)	60,000	$	$	$
Sell (unit equals one homeowner)	7,000	$	$	$
Unclosed Unit (unit equals one homeowner)	700	$	$	$
Small Rental Property Repair (unit of service equals one rental unit repaired)	9,500	$	$	$
Phase 2 price based on estimated number of cases (total of three lines above)		$		
Phase 3 price		$		
TOTAL OFFER		$		

B. FEE FOR ADDITIONAL UNITS OF SERVICE (FULLY FUNDED PROGRAM)

	Estimated units of services to be provided	Price for All Services	Price for additional units of service (above estimated number of units)	Price deduct for any fewer units of service (below the estimated number of units)
Phase 1 price		$		
Phase 2 units of service:				
Repair/Replace/Relocate (unit equals one homeowner)	50,000	$	$	$
Sell (unit equals one homeowner)	5,000	$	$	$
Unclosed units (unit equals one homeowner)	500	$	$	$
Small Rental Property Repair (unit of service equals one rental unit repaired)	7,200	$	$	$
Phase 2 price based on estimated number of cases (total of three lines above)		$		
Phase 3 price		$		
TOTAL OFFER		$		

2.3. Subcontracting Information

The selected offeror shall be the prime contractor responsible to the State. As described in this Solicitation, offerors may enter into subcontractor arrangements. However, unless provided for in the contract with the State, the prime contractor shall not contract with any other party for furnishing any of the work and professional services herein contracted without the express written approval of the State. The prime contractor shall demonstrate it has sought Louisiana subcontractors prior to selecting any out-of-state subcontractors.

2.4. Costs Incurred in Preparation of Offer

All costs directly or indirectly related to preparation of an offer responding to this SFO, any oral presentations required to supplement and/or clarify an offer, and any reasonable appearance which may be required by the State in connection with this Solicitation, shall be the sole responsibility of the Offeror, and shall not be reimbursed in any manner by the State of Louisiana.

2.5. Ownership of Offer

All materials submitted in response to this request become the property of the State. Selection or rejection of an offer does not affect this right. All offers submitted will be retained by the State and not returned to offerors.

2.6. Offer Validity

All offers shall be considered valid for acceptance until such time as an award is made, unless the Offeror provides for a different time period within its offer response. However, the State reserves the right to reject an offer if the Offeror's response is unacceptable and the Offeror is unwilling to extend the validity of its offer.

2.7. Proprietary Information

Only information which is in the nature of legitimate trade secrets or non-published financial data may be deemed proprietary or confidential. Any material within an offer identified as such must be clearly marked in the offer and will be addressed in accordance with the Louisiana Public Records Act, R.S. 44:1-44 and applicable rules and regulations. Any offer marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

2.8. Code of Ethics

Offerors are responsible for determining that there will be no conflict of interest or violation of the Louisiana Code of Governmental Ethics, R.S. 42:1101, *et seq.* if their firm is awarded the contract. Ethics issues are interpreted by the Louisiana Board of Ethics.

2.9. Withdrawal of Offer

An offeror may withdraw an offer that has been submitted at any time up to the offer closing date and time of this Solicitation for Offers. To accomplish this, a written request signed by an authorized representative of the offeror must be submitted to the OCD.

2.10. Cancellation of SFO or Rejection of Offers

Issuance of this SFO in no way constitutes a commitment by the State to award a contract. The State reserves the right to accept and/or reject any or all offers, or to cancel this SFO if in the best interest of the State to do so.

2.11. Waiver of Administrative Informalities

The State reserves the right, at is sole discretion, to waive administrative informalities contained in any offer.

2.12 Offeror's Certification of no Suspension or Debarment and of OMB A-133 Compliance

By signing and submitting any offer for $100,000 or more, the offeror certifies that it, and any subcontractors, or principals thereof are not suspended or debarred by the General Services

Administration (GSA) in accordance with the requirements in OMB Circular A-133.

A list of parties who have been suspended or debarred can be viewed via the internet at http://www.epls.gov.

Part III. Minimum Qualifications

Firms submitting offers must meet the following minimum standards:

- The firm must demonstrate successful experience in executing multiple engagements involving rapidly starting up implementation of business or governmental activities with annual expenditures in excess of $200 million.
- The firm, senior personnel of the firm, and/or subcontractor(s) identified in this proposal must demonstrate experience in working with units of government in implementing housing finance programs for owner occupants and/or owners of small multi-family housing.
- The firm and/or subcontractor(s) identified in this proposal must have the demonstrated capacity to immediately deploy sufficient qualified personnel to complete Phase 1 (Start-up) successfully.
- The firm must demonstrate in its offer that it has sufficient and qualified staff already dedicated to contract solicitations and management to enter into and manage any subcontracts proposed in the Offer.
- The firm and/or subcontractor(s) identified in this proposal must have sufficient human resource staff to recruit the staff described in the offer.
- The firm and/or subcontractor(s) identified in this proposal must have sufficient, demonstrated financial capacity to carry out the program.

Part IV. Scope of Services and Project Schedule

4.1. Scope of Services

Exhibit A details the Scope of Services and desired results the State requires of the Contractor. The OCD or its designee will monitor and oversee the performance of the selected Contractor.

4.2. Period of Agreement

The period of any contract resulting from this SFO will not exceed five years.

4.3 Project Schedule

The desired project schedule should be as follows, or sooner:

Phase 1: Start-up

a. Homeowner Assistance program (Months 1-2 following contract initiation)

b. Small Rental Property Repair program (Months 1-4)

Phase 2: Full-scale operations

a. Homeowner Assistance program (Completion of Phase 1 through Month 30)
    1. All enrollments will be completed by the end of Month 5
    2. All applications will be verified and assistance payments calculated by the end of Month 7
    3. Awards will be made to eligible applicants on an ongoing basis as soon as practicable after eligibility and assistance have been determined.
b. Small Rental Property Repair program (Completion of Phase 1 through Month 24)
    1. All application rounds will be completed by Month 20
    2. All loans will be committed by Month 24.

Phase 3: Close-out

a. Homeowner Assistance program (Months 31-48)
b. Small Rental Property Repair Program (Months 25-32)

4.4. Location

It will be necessary for the Contractor to provide staff in the State of Louisiana to perform essential elements of the work. Offerors should recognize and make arrangements for the fact that accommodations within the southern part of the State are limited.

Part V. Evaluation and Selection

5.1. Evaluation Committee

All responses received as a result of this SFO are subject to evaluation by the State Evaluation Committee for the purpose of selecting the Offeror with whom the State shall contract.

To evaluate all offers, a committee whose members have expertise in various areas will be selected. This committee will determine responsible proposals susceptible of being selected for award.

Written recommendation for award shall be made to the Office of Community Development for the Offeror whose offer, conforming to the SFO, will be the most advantageous to the State of Louisiana, price and other factors considered.

The committee may reject any or all offers if none are considered in the best interest of the State.

During the evaluation period contact between the evaluation committee and Offerors shall be by the committee, and not by individual committee members.

5.2. Mandatory Administrative Evaluation

All offers will be reviewed by the Evaluation Team to determine compliance with mandatory administrative requirements as specified in this SFO. Offers found not to be compliant may be rejected from further consideration.

5.3. Evaluation Criteria

Offers will be evaluated and rated by the Evaluation Team based on the following:

- Prior experience and demonstrated success in rapidly starting up and carrying out large-scale business or governmental activities.
- The degree to which the approach of the offeror to executing the Scope of Services will result in rapid and effective completion of the program.
- The demonstrated skills, experience, and appropriateness of the size of the proposed start-up team of staff and subcontractors.
- The demonstrated skills and experience of the proposed Senior Program Management team—or, to the extent it is incomplete, the appropriateness of the offeror's strategy for recruiting team members.
- The degree to which the staffing and recruitment strategies of offeror and subcontractor show evidence of commitment to and strategy for hiring Louisiana residents and subcontractors who employ or will employ Louisiana residents.
- The degree to which the offeror proposes innovative methods for accomplishing the tasks in a more timely, consumer-friendly or cost-effective manner, or any combination of those enhancements.
- The proposed cost.
  Any other factors discussed in this SFO

5.4. Written or Oral Discussions/Presentations

Written or oral discussions may be conducted with offerors who submit offers determined to be reasonably susceptible of being selected for award. The State reserves the right to enter into an Agreement without further discussion of the offer submitted based on the initial offers received.

Any commitments or representations made during these discussions, if conducted, may become formally recorded in the final contract.

Written or oral discussions/presentations for clarification may be conducted to enhance the State's understanding of any or all of the offers submitted. Offers may be accepted without such discussions.

5.5. Notice of Intent to Award

Upon review and approval of the Director of OCD, a Notice of Intent to Award letter will be issued by the OCD. A contract shall be completed and signed by all parties within 10 days of receipt of contract by contractor. If this date is not met, through no fault of the State, the State may elect to cancel the Notice of Intent to Award letter and make the award to the next most advantageous Offeror.

OCD will also notify all unsuccessful offerors as to the outcome of the evaluation process. The evaluation factors, evaluation committee member names, and the completed evaluation summary and recommendation report will be made available to all interested parties after the Intent to Award letter has been issued.

5.6. Right of Negotiation

The State reserves the right to negotiate best and final offers with all offerors, and to negotiate with the successful offeror on terms, conditions, and requirements, including cost.

5.7 Contract Formation

The selected offeror will be expected to enter into a contract which is substantially the same as the sample contract contained in **Exhibit D.**

Exhibit A
Scope of Services

The Department of Defense Appropriations Act of 2005 (Public Law 109-148, approved December 30, 2005) provides Community Development Block Grant (CDBG) funds to the State of Louisiana to be used to help recover from the federally declared disasters that occurred in August and September, 2005. The use of the CDBG disaster recovery funds is subject to submission to and acceptance by HUD of Action Plans. Funding for this contract is contingent upon receipt of CDBG supplemental funds and HUD approval. In order to prepare the required documents and implement the programs associated with them, the State of Louisiana requires the assistance of the Contractor to perform the following services necessary to start up and operate the Homeowner Assistance and Small Rental Property Repair programs as described in the Action Plan Amendment (Exhibit C). In this Exhibit A, the term "Contractor" refers to the offeror selected to operate the programs, and "Subcontractor" refers to any subcontractor approved by the State to perform work under the prime contract of the selected Contractor.

PHASE 1 – START-UP OF HOMEOWNER AND SMALL-SCALE RENTAL PROGRAM

1.1 Complete operational plan and cash flow projections in coordination with the State and its planning consultants, complete the operational plan and cash flow projections for the expenses of the program and assistance payments, using both Community Development Block Grant (CDBG) funds and FEMA Hazard Mitigation (HM) funds; to include controls to avoid fraud, waste and mismanagement of funds, controls to eliminate duplication of benefits from insurance companies, Federal Emergency Management Agency, etc., and identify methods for verifying other sources of funds, processes for determining damage assessment and value of homes, methods for ensuring that titles are free and clear, review legal covenants, and a process for monitoring compliance with the agreed upon covenants. All procedures and systems shall be in accordance with federal and state regulations and in conformance with the State's contractual agreement with HUD.

1.2 Create a management information system (MIS) based on requirements developed by the State and its planning consultants, and to which designated personnel of the State will have full access during the entire term of the contract. Tasks for developing the MIS are as follows.

- 1.2.1. Contractor will review, recommend modifications and accept the draft software requirements for:
  - 1.2.1.1. Workflow processes, data fields, data collection and data verification requirements, both at a rudimentary level for accepting and processing a pilot group of applications during Phase 1, and for Phase 2.
  - 1.2.1.2. Business rules for automated determination of eligibility and calculation of assistance amounts.
  - 1.2.1.3. Financial accounting of program financial activities, including contractor and subcontractor billing and payments;
  - 1.2.1.4. Data security, backup and privacy features;
  - 1.2.1.5. All necessary interfaces with the relevant State MIS systems, in particular, the MIS systems for tracking payments to property owners. The system must be compatible with the State's Advantage Financial System (AFS) for making

disbursements.

1.2.1.6. Reports that will be produced by the automated system for the benefit of applicants for assistance, program personnel, program managers, the State, and all federal agencies that require reports.

1.2.2. Complete software development and/or purchase for Phases 1 and 2.

1.3 Secure building leases and equipment for all front-office and back-office operations. There will be approximately 20 Housing Assistance Centers through the initial application phase, and approximately 15 thereafter, unless otherwise directed by the State. The Contractor will propose strategies for mobile outreach as well as outreach to out-of-state homeowners seeking to participate in the homeowner assistance program. Contractor will be responsible for all costs of operating the Centers, including lease payments, maintenance costs, and program operations costs of the centers. During the start-up phase, Contractor may enter into leases that are conditional upon State receiving sufficient funding from HUD. Secure temporary housing if needed for program staff of the offeror firm and subcontractors.

1.4 Secure the necessary personnel, equipment and telecommunications services to be able to take applications in-person and over the phone.

1.5 Develop procedures for obtaining privacy releases, both in-person at Housing Assistance Centers and from applicants who reside in remote locations.

1.6 Complete the hiring of at least 40% of the personnel (including personnel of subcontractors) required to operate the programs.

1.7 Enter into contracts which are approved by the State with all subcontractors required to operate the program and ensure that subcontractors are in compliance with Section 2.15 of Exhibit D.

1.8 Establish and maintain for the life of the contract a web-based Rebuilding Professional Registry that provides applicants with contact information for the following: architects, home inspectors, surveyors, renovation contractors, homebuilders, manufactured and modular housing dealers, and lending institutions offering Rebuilding Escrow Accounts.

1.9 Conduct at least five orientation meetings in different locations to familiarize design and building professionals with the policies and procedures of the program.

1.10 Conduct at least five one-day training sessions for home inspectors who are willing to write biddable repair specifications and offer bidding and contract management services to homeowners who receive assistance from the program. Such sessions should be concluded with a written test to determine competency of inspectors to perform such tasks. Home inspectors who pass the test will be given a Certificate of Completion, which will be a requirement for each home inspector who wishes to be listed in the Rebuilding Professional Registry.

1.11 Conduct at least five training sessions of at least three hours each with personnel of financial institutions that offer, or are willing to offer, Rebuilding Escrow Accounts to owners that are part of the program. The training will cover the standard terms and fees associated with escrow accounts that are approved by the State as Rebuilding Escrow Accounts. (The State will encourage industry associations to have developed these standard terms and fees before the program is launched.)

1.12 Design and launch a public education and outreach campaign which will begin within 10 working days after the start of the program and continue actively for six months, for the purpose of encouraging all eligible homeowners and qualified small rental property owners to apply for assistance.

1.13 Through a new website or subsidiary pages of an existing State website, provide information about the programs (posting any major changes within two working days) and automated application forms for both homeowners and small rental property owners.
1.14 Make ready all paper forms and paper filing capacity for physical recordkeeping, with necessary protections of privacy.
1.15 Review, recommend modifications and approve the State's proposed methods for verifying other sources of funds, processes for determining damage assessment and value of homes, procedures for safeguarding assets and managing assets, procedures for property disposition, procedures for mitigation grants, procedures for affordable loans, methods for ensuring that titles are free and clear, developing legal covenants, and a process for monitoring compliance with the agreed upon covenants.
1.16 Make available senior managers of the offeror firm or subcontractor firms for media interviews, meetings with federal officials, and other necessary external meetings, each instance of which must be approved by a designated representative of the State.
1.17 Begin taking full applications from applicants that have pre-registered through the state's call center and web site.
1.18 Begin evaluating eligibility, calculating assistance payments, and making awards for a sample pilot program.

PH ASE 2(a) – FULL-SCALE OPERATION OF HOMEOWNER ASSISTANCE PROGRAM

Take applications from homeowners via web forms, telephone and face-to-face interviews.

2(a)1. Provide applicants with technical assistance from qualified Rebuilding Advisors, who will advise owners on the following:
- 2(a)1.1. The implications of choosing the various options under the program.
- 2(a)1.2. How to understand and manage financial matters such as insurance payments, FEMA payments, outstanding secured loans, liens, etc.
- 2(a)1.3. If the repair, replace or buyout/relocate options are selected, an initial advisory session about the tasks involved for the owner will be conducted addressing issues such as: how to avoid being defrauded, professional design and survey services that may be required, how to identify services providers and building contractors through the Rebuilding Professional Registry, and how to manage engagements with those service providers and contractors.

2(a)2. Through personnel acting as Rebuilding Advisors or Intake Specialists, provide information about the program and answer applicants' questions.
2(a)3. Verify the ownership of each property subject to the application. Assure that the owner has right title and interest to the property, identify all lien holders, and assist the owner in preparing a plan of action to satisfy all lien holders.
2(a)4. Verify sources of funds that were paid to applicant as compensation or other settlements or write-offs in connection with the applicant's disaster related property losses, which must be deducted from the amount of the State's assistance, namely: property and hazard insurance payments, flood insurance payments, and the portion of any FEMA Individual (household) Assistance Payments received by applicants to compensate for real property losses.
2(a)5. Calculate the amounts of assistance due to qualified applicants, including incentive grants, mitigation grants, and affordable loans, prepare all documents related to the

commitment and disbursement of this assistance by the State, and forward this documentation to the State agency responsible for making commitments of funds and disbursements.

2(a)6. For some or all assistance transactions, file documents in the public records as instructed by the State.

2(a)7. Provide applicants with technical assistance from qualified Rebuilding Advisors, who will advise owners on the following:

2(a)7.1. The implications of choosing the various options under the program.

2(a)7.2. How to understand and manage financial matters such as insurance payments, FEMA payments, outstanding secured loans, liens, etc.

2(a)7.3. If the repair, replace or rebuild/relocate options are selected, an initial advisory session about the tasks involved for the owner will be conducted addressing issues such as: how to avoid being defrauded, professional design and survey services that may be required, how to identify services providers and building contractors through the Rebuilding Professional Registry, and how to manage engagements with those service providers and contractors.

2(a)7.4. Establishment of escrow accounts with financial institutions for holding the owner's available funds for repairing, building or buying a home and paying the costs of professional service providers.

2(a)7.5. If a client is seeking to obtain a new mortgage loan, or to refinance, in order to carry out a rebuilding plan, Rebuilding Advisors will obtain credit reports (with the client's permission) and assist clients in determining their eligibility and likely amount of the loan by using standard automated pre-qualifying software packages used in connection with first-time homebuyer programs around the country.

2(a)7.6. In accordance with protocols and time limits that are part of the operational plan, Rebuilding Advisors will offer continuing assistance to qualified homeowners as they continue through the repair, rebuilding and relocation options. It is assumed that Rebuilding Advisors will spend an average of 2 hours per client advising an applicant whose qualifications and property ownership have not been determined, and an average of 20 more hours with an applicant who has been determined to be eligible for financial assistance from the program. It is the responsibility of the Contractor to develop management systems that limit the time that Rebuilding Advisors spend in the aggregate providing services to program clients.

2(a)8. If the "buyout/relocate" or "sell" options are chosen by an applicant, the case will be assigned to a Property Disposition Specialist, who will advise the owner on the steps involved in selling the property, demolishing any existing structures as necessary, receiving compensation from the State, and negotiating with secured lenders and other lien holders to clear liens on the property. Property Disposition Specialists are expected to spend an average of 2 hours advising clients and as much additional time as necessary to conclude the transfer of the property to the State or its designee.

2(a)9. Provide legal services as necessary to determine the amount of compensation to be provided to the homeowner in accordance with the processes and systems described above. Provide legal opinions as needed relative to eligibility and funding decisions or compensations made to homeowners, and if needed, to attest that the processes utilized were in conformance with state and federal law.

2(a)10. Develop and manage internal quality control processes to ensure consistency among a large number of Rebuilding Advisors.

2(a)11. Develop and manage processes to protect against possible fraud, waste and mismanagement

2(a)12. Report regularly to OCD, and as requested by the OCD to other agencies such as LRA and HUD.

2(a)13. Develop a mediation process to resolve disputes between vendors participating in the program and homeowners.

2(a)14. Provide the State with activity, financial and progress reports as required to support billing for services and preparation of reports for State monitoring agencies and HUD.

PHASE 2(b) – FULL-SCALE OPERATION OF SMALL RENTAL PROPERTY REPAIR PROGRAM

2(b)1. Conduct a series of at least 6 applications rounds for owners of small-scale rental properties who will apply for assistance in a competitive process under criteria to be determined by the State.

2(b)2. Provide technical assistance to applicants via a staff of qualified Rental Rehab Advisors. Advice and assistance will be offered for:

- 2(b)2.1. Completing the application form;
- 2(b)2.2. Determining which income-rent category and accompanying second mortgage funding amounts are most suitable for particular rental units,
- 2(b)2.3. Completing iterations of pro formas for sources and uses of capital and a cash flow projection for 10 years of project revenues and operating costs;
- 2(b)2.4. The owners' completion of, or retaining professionals for competing construction plans and specifications, construction budgets, and bids;
- 2(b)2.5. The owners' retaining professional assistance to certify that there is clear and marketable title to the properties; and
- 2(b)2.6. Compliance with federal requirements for lead hazard abatement, historic preservation requirements, and other requirements that will be tied to the funding of the second mortgages.

2(b)3. Select applications that conform to program rules and forward recommended packages to the appropriate State agency for approval of commitment letters and funding the second mortgages, as follows:

- 2(b)3.1. Complete underwriting;
- 2(b)3.2. Determine that other sources of funds needed for repair (owner cash, insurance payments, additional senior debt, etc.) are escrowed or otherwise firmly committed;
- 2(b)3.3. Calculate the allowed amount of second mortgage funding; and
- 2(b)3.4. Prepare draft closing documents including deeds of trust and promissory notes;

2(b)4. Post-approval tasks will be performed as follows:

- 2(b)4.1. Upon receiving the State's approval of a closing package, notify the owner of the steps involved in closing the second mortgage loan and receiving disbursements from the state;
- 2(b)4.2. Monitor the construction work to assure completion of the scope of repair work committed to in owners' applications and to assure compliance with program requirements;
- 2(b)4.3. Approve draws from escrow accounts of the State's funding;
- 2(b)4.4. Provide technical assistance to owners regarding compliance with the program's

marketing and occupancy requirements, including limitations on rents and incomes of occupants throughout the compliance period; and

2(b)4.5. Upon completion of the construction work and initial occupancy of the rental units, provide the State with a close-out package for each project indicating and documenting compliance with program requirements.

2(b)4.6. Monitor compliance of rent requirements until the end of close-out phase.

Phase 3-CLOSE-OUT OF HOMEOWNER AND SMALL-SCALE RENTAL PROGRAM

3.1. Complete post-award rebuilding advisory services to homeowners continuing to repair or rebuild their homes (up to Month 44).

3.2. Complete monitoring of owner-occupancy requirements and turn over remaining responsibilities to the State (Month 47)

3.3. Close out files for all applications and closed transactions, including electronic and paper files related to all stages of processing applications for assistance from the Homeowner Assistance and Small Rental Property Repair programs, documenting:

3.3.1. Contractor and assisted property owners’ compliance with all requirements pertaining to the contract as well as state and federal regulations governing the compensation;

3.3.2. The fulfillment of all obligations by owners that were conditions of receiving assistance;

3.3.3. Applications that were denied and the reasons for denial; and

3.3.4. All referrals to the state of appeals by owners.

3.4. Provide final program activity and financial reports.

3.5. Provide all other documentation and certifications required by the contract and terms of the federal funding.

Exhibit B1 - State of Louisiana Damage Estimates

Real Property Damage Estimates from FEMA February 12, 2006 Data Extract - New Rules (2/28/2006)

Unadjusted for Undercount

PRELIMINARY - Subject to Revision

	Owners – Insurance Status: Hazard & Flood	Hazard Only	No Insurance	Owner Subtotal	Renters – Type of Structure: Single Family	MF (less than 10)	MF (10 or more)	Renter Subtotal	TOTAL
Homes with flood damage									
Homes in FEMA 100 yr. fl plain									
Minor Damage	4,873	1,814	1,270	7,957	4,064	1,395	2,259	7,718	15,675
Major Damage	22,365	5,186	3,806	31,357	11,152	2,569	5,488	19,209	50,566
Severe/Destroyed	33,726	6,649	7,224	47,599	23,541	3,787	5,538	32,866	80,465
Subtotal	*60,964*	*13,649*	*12,300*	*86,913*	*38,757*	*7,751*	*13,285*	*59,793*	*146,706*
Homes outside 100 yr. fl plain									
Minor Damage	1,135	1,541	849	3,525	2,254	422	608	3,284	6,809
Major Damage	4,307	3,202	1,568	9,077	4,683	704	1,285	6,672	15,749
Severe/Destroyed	6,381	4,085	3,072	13,538	6,575	896	1,024	8,495	22,033
Subtotal	*11,823*	*8,828*	*5,489*	*26,140*	*13,512*	*2,022*	*2,917*	*18,451*	*44,591*
MAJ/SEVERE FLOOD DMG	**66,779**	**19,122**	**15,670**	**101,571**	**45,951**	**7,956**	**13,335**	**67,242**	**168,813**
TOTAL FLOOD DMG UNITS	**72,787**	**22,477**	**17,789**	**113,053**	**52,269**	**9,773**	**16,202**	**78,244**	**191,297**
Homes with no flood damage									
Minor Damage	41,165	94,637	61,194	196,996	63,423	10,415	17,194	91,032	288,028
Major Damage	4,604	8,284	5,701	18,589	5,747	1,889	5,546	13,182	31,771
Severe/Destroyed	372	609	1,451	2,432	942	195	584	1,721	4,153
Subtotal	*46,141*	*103,530*	*68,346*	*218,017*	*70,112*	*12,499*	*23,324*	*105,935*	*323,952*
MAJ/SEVERE DMG, ALL	**71,755**	**28,015**	**22,822**	**122,592**	**52,640**	**10,040**	**19,465**	**82,145**	**204,737**
TOTAL	**118,928**	**126,007**	**86,135**	**331,070**	**122,381**	**22,272**	**39,526**	**184,179**	**515,249**
Census 2000:				1,125,135				530,918	1,656,053
Percent:				29%				35%	31%

Uninsured Owner-Occupied with Major or Severe Damage

	Major Damage	Severe/Destroyed	Total
Flooded Homes			
In FEMA 100 yr flood plain	8992	13873	22865
Outside FEMA 100 yr flood plain			
No Hazard Insurance	1568	3072	4640
With Hazard Insurance	3202	4085	**7287**
Non-Flood Damage	5701	1451	7152
TOTAL	19463	22481	**41944**

SBA Median Verified Loss:

FEMA Damage Level:		N
Major:	$ 76,349	11,854
Severe:	$ 115,035	19,885

Owner Undercount? 18%

*** Notes: The FEMA data did not have tenure status for all inspected units. If no tenure indicated, then it is assumed to be owner.
*** Flood plain status was determined by overlaying geocoded addresses with FEMA flood zone designations "A" and "V" using Q3 flood maps.
*** Insurance status was determined by FEMA data if the registrant indicated having hazard or flood insurance. If there was no information, then "no insurance" assumed.
*** Flood damage determined if FEMA inspector indicated damage was due to flooding, or damage estimate from remote sensing (which based damage on flood depth), or
*** Damage category determined using FEMA direct inspection and FEMA remote sensing for some flooded areas in Louisiana and Mississippi
If real property inpsection finds damage less than $5,200 then "minor"
If real property inspection finds damage of between $5,200 and $30,000 (except $10,500) then "major"
If real property inspection finds damage of greater than $30,000 OR $10,500 (FEMA default) then "severe".
If remote sensing finds water depth of 6 inches to 1 foot, then "minor" (for portions of Orleans, St. Bernard, and Jefferson Parish).
If remote sensing finds water depth 1 foot to 2 foot, then "major" (for portions of Orleans, St. Bernard, and Jefferson Parish).
If remote sensing finds water depth 2 foot or greater, then "severe" (for portions of Orleans, St. Bernard, and Jefferson Parish).
If no estimate for real property damage, but there is estimate for personal property damage (often the case for rental property inspections), we assume that:
- less than $5,195.76 in personal property damage = minor damage
- $5,195.76 to $30,000 (excluding 10,391.51) = major damage
- $10,391.51 or GE $30,000 = severe damage .

**** Structure type is determined using United State Postal Service Delivery Point Bar Code (DBPC). If DPBC equals the last two numbers of the address, then Single-Family (one-unit). If not, then Multi-Family (more than one unit at address).
**** There is risk for both undercount and overcount in these data, we are continuing to analyze to improve the accuracy of the information
The current methodology (2/28/06) removes duplicate registrants for same housing unit as follows:
- Only include records with a FEMA inspection. If remote sensing inspection, only include cases where grant provided or record indicates owner or renter has flood insurance.
- If Registrant Number duplicate, then accept record with highest FEMA damage rating
- If Single-Family (one-unit) property, then accept record with highest FEMA damage rating and if owner and renter, accept owner
- If Multi-Family (2+) property, then take highest damage rating when last name and address the same

**** SBA Median Verified Loss is calculated for the cases that have both a FEMA and SBA inspection. SBA Inspections tend to be more detailed than FEMA inspections on actual verified loss. If there is both a FEMA and SBA inspection, these data show the median verified SBA real estate loss by the FEMA damage category. The "N" shows the number of cases that matched. The SBA data are from mid-January, 2006.
**** Owner Undercount? is based on the number of owner properties with SBA damage and no FEMA inspection, divided by the total number of SBA properties

Exhibit B2

Number of housing units damaged and destroyed by most affected Parish

By Parish and damage type

Parish	Owner Occupied Units: Major/Severe Damaged Units	Owner Occupied Units: Major/Severe Flood Damaged Units	Rental Units: Major/Severe Damaged Units	Rental Units: Major/Severe Flood Damaged Units	All Units: Major/Severe Damaged Units	All Units: Major/Severe Flood Damaged Units
Orleans	53,474	51,717	51,681	48,272	105,155	99,989
St. Bernard	13,736	13,683	5,936	5,865	19,672	19,548
Jefferson	20,339	15,783	13,972	7,153	34,311	22,936
Cameron	2,025	1,510	551	432	2,576	1,942
Vermillion	2,108	1,874	468	436	2,576	2,310
Plaquemines	3,722	3,042	1,457	1,127	5,179	4,169
St. Tammany	13,689	10,259	3,931	3,158	17,620	13,417
Calcasieu	4,428	388	1,953	99	6,381	487
Terrebonne	2,079	1,821	331	277	2,410	2,098
Other	6,992	1,494	1,835	423	8,827	1,917
TOTAL	122,592	101,571	82,115	67,242	204,707	168,813

% of statewide

Parish	Owner Occupied Units: Major/Severe Damaged Units	Owner Occupied Units: Major/Severe Flood Damaged Units	Rental Units: Major/Severe Damaged Units	Rental Units: Major/Severe Flood Damaged Units	All Units: Major/Severe Damaged Units	All Units: Major/Severe Flood Damaged Units
Orleans	44%	51%	63%	72%	51%	59%
St. Bernard	11%	13%	7%	9%	10%	12%
Jefferson	17%	16%	17%	11%	17%	14%
Cameron	2%	1%	1%	1%	1%	1%
Vermillion	2%	2%	1%	1%	1%	1%
Plaquemines	3%	3%	2%	2%	3%	2%
St. Tammany	11%	10%	5%	5%	9%	8%
Calcasieu	4%	0%	2%	0%	3%	0%
Terrebonne	2%	2%	0%	0%	1%	1%
Other	6%	1%	2%	1%	4%	1%
TOTAL	100%	100%	100%	100%	100%	100%

Source: Office of Gulf Coast Rebuilding using data from FEMA/SBA 2/12/2006

Exhibit B3 - Top locations of Displaced Louisiana Citizens

Source: FEMA Applications for Individual Assistance

Top 25 States

State	Number displaced
TX	21010
FL	15742
TN	13716
MS	13588
AL	6666
CA	6432
GA	5904
AR	5034
NC	3368
VA	2900
NY	2884
CO	2726
IL	2666
MO	2662
OK	2346
NV	1852
AZ	1802
OH	1614
KY	1186
DC	1150
MI	1138
SC	1116
PA	1056
IN	966
WI	806

Top 40 Cities

City	Number displaced
MEMPHIS, TN	6274
SPRING, TX	3962
KATY, TX	3376
CHICAGO, IL	2666
LOS ANGELES, CA	2562
JACKSONVILLE, FL	2152
BAYTOWN, TX	1818
NASHVILLE, TN	1782
LAS VEGAS, NV	1622
ORLANDO, FL	1612
CHARLOTTE, NC	1514
MONTGOMERY, AL	1482
SAINT LOUIS, MO	1476
DESTIN, FL	1380
MIAMI, FL	1254
NEW YORK, NY	1250
TAMPA, FL	1196
WASHINGTON, DC	1150
DETROIT, MI	1138
GALVESTON, TX	1132
KNOXVILLE, TN	1030
DENVER, CO	1018
TYLER, TX	996
CORDOVA, TN	994
KANSAS CITY, MO	984
TYLERTOWN, MS	970
INDIANAPOLIS, IN	966
TUSCALOOSA, AL	942
COLUMBUS, GA	928
CORPUS CHRISTI, TX	906
OKLAHOMA CITY, OK	898
BRANDON, MS	896
HUNTSVILLE, AL	894
TALLAHASSEE, FL	892
COLORADO SPRINGS, CO	882
LOUISVILLE, KY	862
POPLARVILLE, MS	846
SAN DIEGO, CA	838
TULSA, OK	838
WEBSTER, TX	826

Exhibit C

Disaster Recovery Initiative
U.S. Department of Housing and Urban Development (HUD)
[Docket No. FR–5051–N–01]
Federal Register / Volume 71, Number 29
Department of Defense Appropriations Act, 2006

Louisiana Office of Community Development, Division of Administration

Louisiana Recovery Authority

The Road Home Housing Programs
Action Plan for the Use of Disaster Recovery Funds



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TABLE OF CONTENTS

1. Introduction 2
2. Assistance to Homeowners 5
3. Workforce and Affordable Rental Housing Programs 13
4. Homeless Housing Programs 19
5. Other Developer Incentives 20
6. Administration 22
7. Planning 22
8. Technical Assistance 22
9. Other Requirements 22

1. Introduction

Hurricane Katrina hit the State of Louisiana on August 29, 2005, and Rita slammed into the state on September 24, 2005. They were the second and third Category 5 hurricanes of the 2005 hurricane season. The storms were deadly and costly to communities throughout the Gulf and particularly destructive to Louisiana. More than 1,100 persons lost their lives in Louisiana; approximately 18,000 businesses were destroyed; roads, schools, public facilities, medical services were washed away; and thousands of people were forced to relocate.

In the wake of the storms an unprecedented number of homes were destroyed or severely damaged.

- 122,000 homes were destroyed or suffered major damage.
- 84,000 rental properties were destroyed or suffered major damaged.
- Housing repair costs are estimated at $32 billion. Some, but not all, of this was insured.
- Of the rental and owner occupied units that are now uninhabitable, a substantial portion were occupied by low income households.

HR 2863 provided $11.5 billion to the states of Mississippi, Louisiana, Alabama, Florida and Texas through the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program. Louisiana received $6.2 billion of those funds. President Bush has asked Congress for an additional $4.2 billion in CDBG for Louisiana, which is pending appropriation, to fund the housing programs described in this Action Plan amendment.

As the target of investment of this supplemental CDBG assistance, Governor Kathleen Babineaux Blanco has prioritized housing redevelopment, infrastructure rehabilitation, and economic development. The CDBG funds are available to the State subject to HUD approval of action plans which describe how the funds will be used. The Louisiana Recovery Authority (LRA) has been charged by the Governor and Louisiana Legislature with statutory responsibility for developing policy and action plans for the CDBG funds. The Louisiana Office of Community Development, the agency that runs the State's annual CDBG Program, will administer the supplemental CDBG recovery program.

To promote sound short- and long-term recovery planning at the state and local levels that impact land use decisions that reflect the need for responsible flood plain management and growth, the State, through the LRA, is leading community planning efforts in its most affected parishes. Dubbed "Louisiana Speaks", this effort is a multifaceted planning process to develop a sustainable, long-term vision for South Louisiana in the wake of the destruction caused by Hurricanes Katrina and Rita. The plans developed locally through Louisiana Speaks will be supported by CDBG allocations. The redevelopment of the housing stock funded partially by CDBG as described herein will follow the plans derived through Louisiana Speaks and other local efforts.

This Action Plan amendment describes *The Road Home* Housing Programs, consisting of four sets of programs for the restoration of Louisiana's housing stock and its communities: Homeowner Assistance Program, Workforce and Affordable Rental Housing Programs, Homeless Housing Programs, and Developer Incentives. Future Action Plan amendments will describe other aspects of the State's CDBG recovery program.

1.1 Goals of *The Road Home* Housing Programs

The Road Home Housing Programs have several goals. They will:

- Repair and rebuild quality housing in neighborhoods that are safe to live in;
- Restore pre-storm value to homeowners who want to return;
- Provide affordable rental housing opportunities for displaced residents; and
- Provide housing for the return of critical workforce.

The Road Home Housing Programs will achieve their goals by ensuring, among other things, that:

- Neighborhoods are rebuilt pursuant to locally driven plans that emphasize safety and reduce risks in rebuilding;
- Homes are rebuilt in ways that ensure safer and smarter construction and meet the State's codes and the latest available FEMA advisory base flood elevations[1];
- Neighborhoods are rebuilt in a manner that promotes mixed income communities; and
- Households with special needs such as the elderly and those with disabilities are provided housing opportunities;

1.2 Basis for Recommendations

The Road Home Housing Programs are based on the best available information on housing needs, housing costs, potential public funding and the ability of the programs to leverage private resources. Funding for *The Road Home* Housing Programs come from the supplemental appropriation of Community Development Block Grant Program funds and Stafford Act Hazard Mitigation Grant Program Funds.

This Action Plan amendment describes funding for *The Road Home* programs in two phases: partially funded and fully funded.

The need for assistance among homeowners far exceeds the initial allotment of CDBG funds made in HR 2863. To meet that need and fully fund *The Road Home*, Louisiana has worked with the Bush Administration to request from Congress an additional $4.2 billion in CDBG resources. In this Action Plan amendment, the program allocations entitled "fully funded" amount to proposed levels of funding in anticipation of the appropriation of an additional $4.2 billion for housing needs.

Partial funding levels are based on CDBG funds currently available to Louisiana. The plan specifically details the allocation of $4.6 billion of the initial $6.2 billion of supplemental CDBG funds to *The Road Home*.

Subject to further refinement of the program guidelines and structure of operations, following are preliminary estimates of housing program costs:

[1] FEMA Advisory Based Flood Elevations are the first step in developing new required flood elevations for the National Flood Insurance Program. Wherever this document refers to advisory base flood elevations, we mean the most up-to-date flood elevations regulations or guidance from FEMA and the National Flood Insurance Program.

The Road Home Program Budgets[2]

	Partially Funded	Fully Funded
Assistance to owner-occupants	$3,551,600,000	$6,347,400,000
Homeless supports and housing	$25,900,000	$25,900,000
Workforce and affordable rental housing	$892,700,000	$1,535,700,000
Developer incentives and code enforcement	$32,100,000	$32,100,000
State administrative costs	$79,700,000	$120,900,000
Housing costs in Action Plan #1	$18,000,000	$18,000,000
TOTAL	$4,600,000,000	$8,080,000,000

The Road Home will be fully funded with a total of $8.08 billion of CDBG funds based upon damage and demand estimates grounded in the most current FEMA and HUD damage data. Louisiana's damages exceed that of other states impacted by the hurricanes of 2005 by three to four times, in nearly every category of damages. Working with the Federal Coordinator of the Office of Gulf Coast Rebuilding, the LRA has demonstrated that the cost of recovery based on the damages to owner-occupied properties, rental properties, and other critical infrastructure such as hospitals, schools, un-funded state and local infrastructure repairs, and sewer and water infrastructure will require no less than $12.1 billion. The current supplemental CDBG funding of $6.21 billion, combined with anticipated Hazard Mitigation Grant Program funds available through the Stafford Act, fall short of this total need by $4.2 billion. Without this additional CDBG funding, the State of Louisiana cannot fully fund its housing program for homeowners and renters, to meet the scale of the challenge. President Bush's commitment to this funding was made in recognition of this need.

The CDBG funds directed to workforce and affordable rental housing will supplement an estimated $1.7 billion in private equity investments derived from Low Income Housing Tax Credits allotted to Louisiana through the federal Gulf Opportunity Zone legislation. In addition, the State will supplement assistance to owner-occupants with an estimated $1.17 billion in housing-related Hazard Mitigation Grant Program funds.

The damage from Hurricanes Katrina and Rita disproportionately impacted families with low to moderate incomes. HUD therefore requires that at least fifty percent of the supplemental CDBG dollars allocated to Louisiana for recovery be invested in programs that directly support those families. Accordingly, in both the partially and fully funded housing programs described herein, the great majority of funds will go to low- and moderate-income families.

If federal agencies require changes to the State's proposed Action Plan amendment or program costs exceed projections and available funding, Louisiana will be required to modify this proposed Action Plan amendment.

1.3 Solicitation of Public Comment

This Draft Action Plan amendment is submitted for public comment. Copies are available through request in writing or by telephone (225-342-7412) from the Louisiana Office of Community Development (OCD) and on the internet at http://www.LouisianaRebuilds.info.

[2] Budgets are exclusive of FEMA Hazard Mitigation Grant Program funds that may be spent on housing.

Copies of the proposed plan will be available for distribution and may be requested in writing or by telephone (225-342-7412) from the OCD/DOA. This Action Plan Amendment will also be available on the Internet today at www.LouisianaRebuilds.info. Written comments on the proposed Action Plan Amendment may be submitted beginning today, and must be received no later than 10 days from today's date. Within the next seven days, the Action Plan Amendment will be available in Vietnamese and Spanish translations at the same web site, and comments on the translations may be submitted within 10 days of the date the translations are posted online. Comments may be mailed to the OCD, Post Office Box 94095, Baton Rouge, LA 70804-9095 or sent via facsimile to 225-342-1947. Comments may also be submitted online through the www.LouisianaRebuilds.info web site.

Comments can be submitted in two ways:

- On the internet by completing the form available through http://www.louisianaRebuilds.info
- Preparing written comments using the form in **Appendix 1** and mailing the comments to:

Action Plan Comments
Office of Community Development
PO Box 94095
Baton Rouge, LA 70804-9095
FAX: 225-342-1947

To provide ample opportunity for public comment, community meetings are tentatively scheduled for April 11 and 12. Time and location confirmation for the hearings will be made available through www.LouisianaRebuilds.info.

Comments will be accepted until 5:00 PM Central Time on April 17, 2006. Comments will be considered and a final proposed Action Plan amendment will then be submitted to HUD for review and approval.

2. Assistance to Homeowners[3]

2.1 Overview of the Homeowner Assistance Program

In the aftermath of Hurricanes Katrina and Rita, an estimated 122,000 owner-occupied homes were destroyed or suffered major damage, according to FEMA. In response to this unprecedented disaster, Louisiana will use $3,551,600,000 of current supplemental CDBG funds and approximately $1.17 billion of Hazard Mitigation funds to help selected owner-occupants repair or rebuild their homes, buy or build replacement homes, or sell unwanted properties so they can be redeveloped or converted to open space. In order to avoid future flood losses, all reconstruction work will meet or exceed the latest available FEMA advisory base flood elevations and meet the legal requirements under the State Uniform Construction Code.

Note that the State will require an additional $4.2 billion of CGBG in order to aid ***all*** of the Louisiana homeowners who suffered major or severe damage. The budget for owner-occupant assistance following that additional appropriation is anticipated to be $6,347,400,000 in CDBG funds, with additional funds from the State's Hazard Mitigation Grant Program

[3] For the purpose of this Action Plan amendment homeowner and owner occupant are used interchangeably.

The overarching purpose of *The Road Home* is to rebuild Louisiana's impacted communities. Devastated communities will be blighted by abandoned homes, clouded land titles, and disinvestments if a large portion of the financial assistance is not directly invested in rebuilding homes or buying replacement homes in the affected areas. Therefore, the most comprehensive financial and technical assistance packages will be made available to those pre-Katrina and Rita homeowners who make the effort and take the risks to move back to play a part in rebuilding Louisiana.

Financial incentives and advisory services will be available for homeowners who wish to:

- <u>Repair</u> – incentives to promote rehabilitation
- <u>Rebuild</u> – financial incentives to reconstruct on the same site if repair is infeasible or not economically viable;
- <u>Buyout/Relocate</u> – purchase of the home by the program in exchange for an agreement to resettle in Louisiana; or
- <u>Sell</u> – voluntary sale of the home with no requirements to resettle or otherwise remain in the community.

It is the State's intention that property acquired through the housing program should be put back into the stream of commerce where it is safe to do so. Further, development plans for acquired land should be directed at the community or local level, such as by a local land management/development entity or unit of local government. The LRA will consider requests and approve plans for entities applying for land management authority.

2.2 Eligibility for Homeowner Assistance

To be eligible for the Homeowner Assistance Program:

- The owner must be able to prove that he or she owned and occupied the property as a primary residence at the time of the Katrina/Rita disasters, prior to August 29, 2005;
- The home must in be a single-unit structure[4]; and
- The owner must have registered for FEMA Individual Assistance and the home must be categorized by FEMA as having been "destroyed" or having suffered "major" damage. Homeowners who were approved by FEMA for $5,200 or more in FEMA home repair assistance (a component of the Individual Assistance Program) will fall into one of these categories.

Because Congress has not fully funded *The Road Home* to meet the need of all homeowners, this Action Plan amendment must limit assistance to homeowners within the following categories, provided that program costs do not exceed projections:

- Owners whose homes lay outside the FEMA flood plain and were flooded, and
- Owners with incomes at or below 70% of area median income (AMI), adjusted for household size, with any type of damage.

[4] Properties that housed an owner-occupant and renters are currently eligible for either the Homeowner Assistance Program OR the small rental property assistance program, but not both. Requirements for assistance and assistance limits prescribed herein for each program will apply to such mixed occupancy properties equally.

Applicants must meet all of the above requirements to receive compensation. Homeowners that believe they have suffered major or severe damage, but have not qualified for FEMA assistance will be able to appeal their eligibility for *The Road Home*. Homeowners who believe they will be eligible for the program are currently encouraged to register with *The Road Home* registry at www.LouisianaRebuilds.info or by calling 1-888-ROAD-2-LA.

Upon receipt of additional appropriated funds, depending on the amount of funding, the Action Plan will be amended to include homeowners of all incomes.

During the process of reviewing applications to *The Road Home*, the LRA shall make available information about the repair, rebuilding and relocation preferences of applicants in order to inform local planning processes. In areas where a high proportion of homeowners are choosing not to invest, state or local authorities may limit access only to Buyout/Relocate and Sell programs.

2.3 Requirements for Receiving Homeowner Assistance

To accomplish the State's goal to resurrect damaged communities, the LRA proposes to encourage homeowners' investment of federal recovery funds in Louisiana. To that end, homeowners that make the decision to reinvest in Louisiana will be eligible for the most generous levels of assistance. They will be required to demonstrate that commitment to the State by signing a legally binding covenant described below.

In exchange for financial incentives, homeowners must:

- Be willing to sign a release so that information given to FEMA can be verified by the Program;
- Independently from FEMA, agree to verification of their ownership status and the amount of disaster-related damage to the home;
- Swear to the accuracy and completeness of all information provided to the Program under penalty of law;
- Agree in legally binding documents to follow through on certain actions related to a home in exchange for compensation:
    - Ensure that the home they occupy meets the legal requirements under the State Uniform Construction Code,[5] complies with local zoning, and complies with FEMA guidance for base flood elevations;[6]
    - Assure the home will remain owner-occupied for at least three years after the completion of repairs/replacement or new home purchase;
    - Maintain residential hazard insurance;
    - Maintain flood insurance if the home was previously flooded or is located in a flood zone;

[5] A number of communities have not yet adopted or implemented the State Uniform Construction Code. Pursuant to the State's commitment to rebuild safer and stronger communities, homeowner assistance provided by *The Road Home* will be contingent upon local enforcement of and individual compliance with all legal requirements under the code.
[6] Federal and state law may require homes in historic districts to meet additional standards.

- o Agree to subrogate claims for unpaid and outstanding insurance claims back to the Program;
- o If relocating, move to another home in Louisiana; and
- o If selling the property to the State and the home has no historic value or is not salvageable, convey the property as a cleared site, agree in writing to allow the Army Corps of Engineers or another governmental entity to clear the property, or provide funds from the sale proceeds for demolition and clearance by the acquiring entity.

The above terms and conditions apply to the home that is repaired, rebuilt or purchased using program funds. Homeowners that fail to meet all of these terms and conditions will forfeit the property that is repaired, rebuilt or purchased using program funds and/or be required to repay the financial assistance provided through this program.

2.4 Amounts and Forms of Homeowner Assistance

2.4.1 Maximum Assistance

The maximum financial assistance from all program resources for owner occupants is up to $150,000. The proposed ceiling assumes that:

- All federal funds currently allocated to and sought for the program will be available; and
- Estimates of likely demand for assistance derived from HUD and FEMA data are accurate.

The partial funding levels for programs contained herein are based on the current supplemental CDBG appropriation. If sufficient funds are ultimately unavailable or demand exceeds estimates, the maximum amount of financial assistance per household may be lowered.

It is the intent of the program to provide a homeowner the resources to get into a home, based upon the homeowner's financial means, needs, and the pre-storm value of the damaged home. Not every homeowner is necessarily entitled to the maximum amount of financial assistance, however, and in many cases *The Road Home* will not provide 100% of the required resources for repair, rebuilding or resettlement. This is true for many reasons, such as the fact that assistance is capped, and that assistance will be reduced by any insurance payments for damage to the structure of the home, by any FEMA assistance for home repairs or replacement, and by other compensation for the loss.

2.4.2 Financial Incentives to Repair/Rebuild

The program will provide financial incentives for homeowners that repair or rebuild their homes on the same site. Homeowners will receive varying amounts of assistance depending on the condition of their home and the compensation received from other sources.

Homeowners remaining in Louisiana will be eligible for assistance in three tiers: an incentive grant to cover losses to the home and restore pre-storm value; a hazard mitigation grant, whenever the home can be repaired or rebuilt with cost-effective mitigation measures; and an affordable incentive loan, structured within the homeowner's financial means, for any gap between the damaged home's pre-storm value and allowed repair/rebuilding costs. Insurance, FEMA, and any other grant payments received by the homeowner for structural repairs will be deducted from the amount of assistance for which the homeowner is eligible.

An explanation of the calculation of financial assistance follows below. Appendix 2 provides two examples of how hypothetical households might be assisted to repair or rebuild their home.

Homeowners will first calculate their personal *Eligible Assistance Amount* using the following formula.

Eligible Assistance Amount to Repair/Rebuild equals Lesser of:
• Pre-storm value of the home *(times)* Percent damage to the home *(plus)* Eligible Mitigation costs *(plus)* Gap to meet allowed repair/rebuilding costs *(minus)* Insurance *(minus)* FEMA Repair Payment *(minus)* any Other financial assistance for repair
OR
• $150,000

Eligible assistance does not represent an entitlement to the homeowner, under any circumstances.

The Eligible Assistance Amount will generally be paid in three tiers.

- The first tier will be an Incentive Grant that is intended to restore the pre-storm value of the property. The Incentive Grant will be made under the conditions attached to the legal instrument described in Section 2.3. The amount is calculated as follows:

  Incentive Grant = Lesser of

  Eligible Assistance Amount

  OR

  Pre-Storm Value x Loss Percentage *(minus)* Insurance, FEMA Repair Payments and Other Financial Assistance for Repair

  The State will enlist damage inspectors to determine the appropriate level of repair or replacement costs. It is the State's policy that participants in the Homeowner Assistance Program deserve a fair and independent estimate of projection of damages from the storm, regardless of cause of damage. The program also reserves the right to use damage estimates catalogued by FEMA and insurance companies where those estimates are deemed reliable.

  For homeowners who were uninsured (for example, those who were living in a flood plain but did not have flood insurance), the Compensation Grant will be reduced by 30%.

- The second tier will consist of mitigation assistance, with funding from either the Hazard Mitigation Grant Program, provided through the federal Stafford Act, or CDBG. These funds will complement CDBG assistance for homes that are in flood plains or otherwise eligible for FEMA-funded hazard mitigation assistance. The amount of the hazard mitigation grant will be calculated as follows:

Mitigation Grant = Eligible Mitigation Costs

OR

Eligible Assistance Amount – Incentive Grant

- The third tier, if additional funds are required to help the homeowner get into a home and within the eligible assistance amount, will be an Incentive Loan. When conventional financing options exceed homeowners' financial means, the Incentive Loan is designed to provide an affordable way for homeowners to return to a home when the Incentive and Mitigation Grants do not meet repair or replacement costs. For those cases where it is necessary to do so, the Incentive Loan will be calculated as follows:

Incentive Loan = Eligible Assistance Amount *(minus)* Incentive, Mitigation Grants

The State may also offer additional incentives for homeowners who choose to repair or rebuild within the same parish.

For instances in which the sum of remaining pre-storm loans and the Incentive Loan exceed the market value of the home, the program will develop policies to mitigate the impacts of "negative equity" positions on the home and homeowner by adjusting the repayment terms.

2.4.3 Buyout/Relocate

Homeowners choosing to move elsewhere in Louisiana will be able to sell their homes to the State and receive assistance under the guidelines described for homeowners that rebuild on the same site. Owners choosing this option must meet the same eligibility requirements and agree to the same legally binding actions applicable to those choosing to repair or rebuild. Those requirements are described in Sections 2.2 and 2.3 of this Action Plan amendment.

Homeowners who help to shoulder the burden of community recovery by choosing to rebuild within their parish will always be the highest priority of the program. The State may also offer additional incentives for homeowners who choose a buyout but relocate within the same parish.

2.4.4 Sale

Some owner-occupants may choose none of the basic options: to repair, rebuild or relocate in Louisiana. In these instances, the State will compensate the homeowner for 60% of the home's pre-storm value, less insurance and FEMA repair funds. Sale compensation will not exceed repair or rebuilding costs for the home. For these buyouts to occur, a lien holder may be asked to write off a portion of the current outstanding principal balances of the loan or other lien.

Compensation for Selling Home With No Other Obligations equals Lesser Of: 60% of Pre-storm value *(minus)* insurance *(minus)* FEMA repair payments *(minus)* Other repair assistance *OR* Incentive Grant for which they would otherwise be eligible

2.5 Treatment of Homeowners with Special Circumstances

<u>Assignability:</u> Subsequent to the launch of *The Road Home*, the State will allow an owner to sell his or her home on the open market and to assign rights to program assistance to the new buyer. Assigned grants will require the new buyer to carry the same three-year owner-occupancy requirement and other legally binding terms and conditions that govern the repair and rebuild options. The new owner to whom assistance benefits have been assigned will be eligible only for the repair/rebuild option.

<u>Owner Occupants Who Have Already Sold Their Principal Residence:</u> Some homeowners may have chosen to sell their homes prior to launch of the Homeowner Assistance Program. Equitable policies and procedures may be determined at a later date that could provide Program assistance to an owner who has sold a home and otherwise would have qualified for assistance. These policies and procedures are not yet determined.

<u>Owners Who Have Started or Completed Repairs</u>: Assistance will be provided to owners who have already commenced or completed home repairs or the construction of replacement homes, so long as all the requirements of the Program are met. Policies will be set for discounting assistance amounts for any grants or below-market interest rate loans from government agencies that may have been received by an owner from for these purposes.

<u>Owners Who Have Received Other Assistance</u>: Policies will be set for discounting compensation amounts for any grants or below-market interest rate loans from government agencies that may have been received by an owner for these purposes. Pursuant to federal statute, assistance from *The Road Home* must be used to repay any loans from the Small Business Administration (SBA) that a homeowner has received for the same losses.

Any homeowner may appeal the decision related to eligibility, damage assessments, amount of assistance and grant offsets made by the program.

2.6 Accounts for Receipt of Funds

To help ensure that Program incentive grants, incentive loans, insurance payments and FEMA household assistance payments provided to homeowners are invested in housing, owners will be encouraged and assisted, and may be required, to open deposit accounts in the owner's name. The Program will work with financial institutions to set up standard terms for managing such accounts and payouts from them.

2.7 Homeowner Assistance Centers – Process for Receiving Assistance

Louisiana has initiated a Call Center to allow former homeowners to indicate their interest in returning to their neighborhoods and investing in their homes. The Call Center is the first step in what will be an aggressive campaign to solicit applications for the Homeowner Assistance Programs.

To open lines of contact between displaced Louisiana residents and *The Road Home*, citizens may now register key information about their damaged homes by calling 1-888-ROAD-2-LA (888-762-3252; TTY 1-800-566-4224) to submit that data to the State's registry, or logging on to a one-stop web portal - www.LouisianaRebuilds.info. This registry pertains only to homes that were occupied by homeowners and damaged by hurricanes Katrina or Rita.

When the program commences, eligible homeowners will be notified by mail, email and/or telephone to the greatest extent possible of the opportunity to apply for assistance. Information about financing programs and counseling services will be posted on public websites as well as provided through other resources such as Assistance Centers that will be established in various locations.

> The Program will not publish application forms or detailed descriptions of the process for receiving assistance until the comment period has ended and the State of Louisiana has determined the amount of federal funds that will be available for all recovery programs.

In order to rebuild, most homeowners will have to navigate a maze of obstacles such as negotiating insurance settlements, dealing with mortgage issues, understanding the implications of new flood maps, and dealing with building contractors. Before the amount of program financial compensation can be determined, an owner will have make decisions on whether to repair their home, replace it on-site, accept a buyout and relocate in the parish or state, or sell. If an owner has been unable to return to the community, he or she will likely need help finding temporary housing to live in while managing this process. While some homeowners can overcome these barriers themselves, many homeowners will need expert, trustworthy advisors, in addition to receiving financial assistance.

To respond to these needs, Assistance Centers will be the "storefronts" where homeowners can apply for assistance and gain access to advisory services. Rebuilding Advisors will help homeowners accomplish the following:

- Provide information to help homeowners evaluate the four assistance options—repair, replace, relocate or sell—and the amount of financial assistance allowed for each;

- Provide information to owners on how to deal with mortgage issues, or refinance if necessary;

- Provide information to assist owners in selecting professional services providers such as home inspectors, architects, surveyors (for replacement homes) to design and prepare for repairing or replacing homes; and

- Provide information to assist owners in selecting repair contractors, homebuilders and manufactured housing companies.

The Assistance Centers will help mitigate the potential for misunderstanding and abuse by providing standardized, structured, and guided relationships between homeowners and service providers. In addition, the Assistance Centers will maintain registries of professional service providers and building contractors.

The State of Louisiana will rely on its own staff as well as contracted services to run the Assistance Centers. See Section 5 for more details.

Registrants calling *The Road Home* or logging onto www.LouisianaRebuilds.info will be asked to provide important information, including the resident's name, current address and the location of the affected home, phone numbers, mortgage information, the status of any insurance settlements and any FEMA or U.S. Small Business Association (SBA) applications or assistance.

3. Workforce and Affordable Rental Housing Programs

Approximately 84,000 rental housing units received major or severe damage in Hurricanes Katrina and Rita. Restoring the capacity of rental housing will be vital to the return of a strong workforce that is inherent to Louisiana's economic recovery. Rental housing stock is also imperative to support the return of the high proportion of residents that were renters prior to the storms, particularly in New Orleans, as well as the return of homeowners transitioning into repaired and rebuilt homes over the coming months.

For these reasons, several programs are proposed to support the redevelopment of rental housing in the storm-impacted areas. To support the programs, the State has set aside a total of $892,700,000 of currently available CDBG funds, and proposed to be increased to $1,535,700,000 upon the appropriation of the additional CDBG funds pending in Congress.

The Road Home Workforce and Affordable Rental Housing Programs have four broad goals:

- To ensure that the workforce needed to accommodate full economic recovery has access to affordable rental housing;
- To provide affordable rental housing to low income households who could not otherwise afford to return to their communities;
- To ensure that affordable rental housing is provided in the context of high-quality, mixed-income communities; and
- To ensure that a portion of affordable rental units will host supportive services for families with special needs or high risks following their extended displacement.

The table below summarizes the budget for all rental programs:

Budgets for Rental Housing Programs

Rental Program	Partially Funded	Fully Funded
LIHTC/CDBG Piggyback	$311,690,000	$552,410,000
Supportive Housing	$46,750,000	$72,730,000
Flexible Developer Incentives	$41,560,000	$41,560,000
Small Rental Properties	$492,700,000	$869,000,000
TOTAL	$892,700,000	$1,535,700,000

3.1 Low-Income Housing Tax Credit (LIHTC) "Piggyback" Program

Through legislation creating the Gulf Opportunity Zone (GO Zone), Congress has authorized a special allocation of Low Income Housing Tax Credits (LIHTC) that are expected to generate an estimated $1.7 billion over three years in private investment in the repair and new construction of affordable rental housing. The combination of LIHTC incentives and CDBG funds that piggyback the tax credits will promote the twin goals of dramatically increasing the supply of rental units affordable to a wide range of low- to moderate-income families and expanding rental housing supply as a part of stable mixed-income developments and neighborhoods.

When *The Road Home* is fully funded, the State proposes to combine the resources of the LIHTC incentives, CDBG Piggyback funding, available Section 8 housing vouchers, and leveraged private investments to generate 25,000 new or restored rental units, of which an estimated 10,000 units will be rented at market rates and 15,000 will have below-market rents.

To support the expansion of mixed income communities, the LRA will work with the Louisiana Housing Finance Agency, which administers the LIHTC Program, to assure that future rounds of LIHTC allocations require that some or all approved projects integrate multiple tiers of affordable rental units with market-rate rental units. The intent of this program is to use the powerful financial incentives of the LIHTC program, CDBG funding and the flexible incentives program described in Section 4.3 to motivate developers to build new mixed-income communities that accommodate families from across the income spectrum.

Though units developed under the LIHTC must by law be affordable to households with incomes as high as 60% of area median income, the extra investment incentives built into the special GO Zone allocation of LIHTC mean that, by State estimates, rents for LIHTC units in Louisiana can be made affordable to families with incomes between 45% and 60% of area median income. The LRA will work with the Louisiana Housing Finance Agency to develop future Qualified Allocation Plans (QAP) for LIHTC to give preference to projects that meet deeper affordability goals than the required 60% of area median income[7].

Louisiana intends to accommodate families with incomes below 45% AMI, however. In order for the LIHTC program to create a rental supply for such very low-income households, additional subsidies are needed.

[7] Area Median Income is defined annually by the federal Department of Housing and Urban Development for each metropolitan area and non-metropolitan parish in the United States. FY2006 income estimates for Louisiana can be found at http://www.huduser.org/Datasets/IL/IL06/la_fy2006.pdf.

The State will therefore make available CDBG funds to provide incentives to investors so that, when the program is fully funded by the anticipated appropriation, approximately 6,000 of the estimated 15,000 affordable rental units produced under the LIHTC program can be reserved for—and made affordable to—working families with incomes between 20% and 40% of AMI. It is the strong intention of the State to reserve all CDBG money devoted to very affordable rental units for units that are built as a part of mixed-income developments.

Furthermore, under the current partially funded program, the State proposes that a portion of the estimated 6,000 units targeted to very low-income families be made available to households with special needs such as persons with disabilities, families with disabled family members, and the elderly. The funding for such supportive services is outlined in Section 3.2 of this document.

Project Eligibility and Estimated Budgets[8]

Developers will be eligible for supplemental CDBG funding for approved LIHTC rental projects on which they agree to certain limitations on rents and occupant income for the first twenty years of the project. When *The Road Home* is fully funded, CDBG piggyback funds aimed at increasing the supply of units available to very low income households is estimated in the table below.

Target Household Income	Target Number of Units	Estimated Average CDBG Funding per Unit	Total Estimated CDBG Funding
20% AMI	2,000	$93,000	$186,000,000
30% AMI	2,000	$65,000	$130,000,000
40% AMI	2,000	$13,000	$74,000,000
50% AMI	4,500	$0	$0
60% AMI	4,500	$0	$0
Above 60% AMI	10,000	$0	$0
TOTAL	25,000		$390 million

Among the CDBG financing mechanisms being considered to make it feasible for developers to provide the estimated 6,000 units that will be available to and rented by very low income tenants are:

- Gap financing to reduce the costs of debt service, so that lower rents (and lower cash flow) can be made feasible; and
- Funding of operating reserves for projects to enable rental property owners to charge lower rents.

Officers of the LRA, Louisiana Office of Community Development, and Louisiana Housing Finance Agency will work together each year to propose affordability targets for specific numbers of housing units, integrate their targets into the annual Qualified Allocation Plan criteria for the LIHTC program, and set aside CDBG funds to be matched to those tax credit goals to meet overall program objectives. These officers will likewise evaluate actual numbers of units delivered annually. In the event of any shortfall versus those

[8] Calculations used to determine the demand for CDBG funds based on assumed rents and income targets are available from the LRA.

targets during a calendar year, those funds and targets will be added to the subsequent year's goals and allocations.

3.2 Services Funding for Supportive Housing

Under the partially funded plan, the State intends to use CDBG funds or other financial resources that can be obtained to fund supportive services for approximately 1,870 supportive housing units, the development of which will be financed by the LIHTC and CDBG piggyback program described above. Other HUD programs such as the McKinney Vento Act, Project Based Section 8 Vouchers, Section 811, and Section 202 program funds may supplement supportive efforts.

The supportive housing units will serve individuals and families with special needs, most importantly, renter households who are returning to Louisiana after having endured, very often, traumatic relocations from shelter to shelter, to hotels, and to other temporary living arrangements in other cities. Supportive housing units are also needed for returning families and individuals who are disabled, frail elderly, or have other special needs.

Supportive services will be provided in 30% of the 6,000 rental units targeted to households with incomes at or below 40% of area median income. In order to provide that level of services, the State proposes to allocate $46,750,000[9] of the currently available CDBG funds to help pay for the services. This program component and use of CDBG funds for supportive services is proposed with the recognition that the number of supportive housing units that can be developed in Louisiana over the next few years will be severely limited by the scarcity of public and private funding for the necessary resident services.

When the expected $4.2 billion in additional CDBG funds are appropriated for *The Road Home*, the budget for supportive housing services will be increased to $72,730,000 to fund services for nearly 3,000 units.

3.3 Flexible Incentives for Mixed-Income Development

For mixed-income residential developments to occur on a larger scale—even if the affordable housing units are receiving supplemental CDBG funding as described above—the State recognizes that additional incentives may be required in certain instances to successfully promote market-rate housing to be mixed with affordable housing. Therefore, the State proposes to use $41,560,000 of CDBG funds to supplement mixed-income housing projects. These flexible subsidies will be used primarily in conjunction with the LIHTC incentives, but they will also be available for other projects offering rents or sale prices affordable to families both above and below 80% of AMI.

The primary mechanism for providing these incentives will be recoverable grants provided to reduce the costs of land and infrastructure. Such grants will be offered on a competitive basis. Grants will be made subject to requirements that will be specific to each project, such as minimum requirements for providing a mix of rents or sale prices. Grants will be recovered if all mixed-income requirements set for selected projects are not met. Operating costs of this program will be covered through operating budgets for other housing programs described herein, such as the CDBG/LIHTC Piggyback Program or the Housing Development Loan Fund.

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[9] Assumes 1,870 units with services costing an average of $5,000 per unit per year over five years.

3.4 Small Rental Property Repair Program

Before the disaster, a large portion of very low income working families resided in single-family homes, “doubles” and small, multi-family buildings with ten or fewer units that were owned and operated by small-scale landlords. A sizeable number of these properties were underinsured or uninsured and no longer available for occupancy. The State proposes to provide gap financing for the repair of 10,000 rental housing units in these properties. The primary purposes of the gap financing are to enable repairs to occur and to limit the amount of debt (and therefore debt service) required for the properties, so that the owners will be able to charge affordable rents.

The program will, on a competitive basis, provide gap financing up to $25,000 to restore a rental unit renting at market rates, with higher funding amounts up to $75,000 per unit available to qualified landlords who agree to offer lower rents. Eligible properties will be selected based upon a strong preference for well-designed residential communities and infill housing developments that also include families with incomes higher than the area median.

In exchange for accepting financial incentives, property owners will be required to accept limitations on rents (with inflation clauses) and incomes of renters for a period of 10 years, to assure that the assisted housing is as affordable as possible and is occupied by families with incomes corresponding to several tiers of affordable rents. The amount of CDBG financing available will be provided in three tiers--$25,000, $50,000 and $75,000 per unit—with highest amount per unit being available to property owners who agree to offer the lowest rents. The assistance will be offered as deferred payment loans at 0% interest, due only upon resale of the property or failure to comply with the agreed-upon restrictions on rents and household incomes.

As with the homeowner program, small-scale property owners will have access to expert financial and construction advisors to assist them with refinancing and reconstruction, or if they so desire, to sell their properties to developers using the LIHTC program.

Unlike the homeowner program, funds will be insufficient to provide every small-scale property owner with enough money to repair or replace their rental properties. Prioritization of properties that will be selected for assistance will be based on factors including, but not limited to, the following:

- Property owners demonstrating financial and technical capacity to obtain matching market-rate financing, if necessary, to carry out the repairs, and to provide excellent property management services; and

- Properties that are most cost-effective to repair or replace, and located in areas that have adequate infrastructure and have other redevelopment activities occurring.

- Properties held by small-scale landlords where rental revenue constituted a majority of household income and/or assets so long as these investor-owners meet the threshold requirements for capacity necessary to repair or replace, and then manage their units.

As outlined in the Homeowner Assistance Program guidelines, owner-occupant program assistance and small rental property assistance cannot be combined in the same residential property; the owner must choose to participate in one program or the other. If owner-occupant assistance is chosen, funding will be provided up to $150,000 for the owner-occupied unit only. If small rental property assistance is chosen and the owner is selected for assistance, assistance to the owner-occupied unit will be limited to $25,000, as with all units under the program.

The landlord applying for the Small Rental Property Repair Program will be able to receive incentives for each unit in the property in which he or she is an owner-occupant.

A total of $492,700,000 is budgeted for this program under the partially funded budget, including program operating costs. Upon the additional appropriation of $4.2 billion by Congress, the budget for this competitive program will increase to $869,000,000.

The formula for the amount of CDBG funding per rental unit is as follows:

> Eligible Assistance per Rental Unit = Lesser of:
>
> - Allowable Rebuilding Costs + Mitigation Costs *(minus)* Insurance *(minus)* Maximum private financing the property rents will support
>
> OR
>
> - The Maximum CDBG funding amount described above

To the extent that property owners do not request or qualify for the higher amounts of funding per unit, the program will be able to support the repair of more rental units, albeit at higher rents.

3.5 Renters' Registry

Because the replacement of rental housing will fall far short of the rental housing lost due to insufficient funds, and many residents displaced by hurricanes Rita and Katrina are far from home and inadequately housed, the State will give priority placement to hurricane displaced residents for all subsidized rental housing units.

A total of $2 million in CDBG funds has been budgeted to provide the following resources to displaced renters to help facilitate their return home:

- Louisiana has initiated a Call Center and Homeowner Registry to allow former homeowners to indicate their interest in returning to their neighborhoods and investing in their homes. The Call Center/Registry will add a component for renters to gather information about the current location of displaced renters who wish to return home. Initially, the Call Center/Registry will refer callers to emergency housing assistance resources posted on the web portal at www.LouisianaRebuilds.info. As new or repaired subsidized affordable rental units come on line, renters will be referred to a web data base where affordable rental housing is listed, and where they can access applications for income-assisted housing.

- When the database referral system commences, eligible renters will be notified by mail, telephone, and the www.LouisianaRebuilds.info web portal to the greatest extent possible of the opportunity to access rental information and apply for assistance. Information about rental programs will be posted on public websites and at Housing Assistance Centers.

4. Restoration of Homeless Supports and Housing

The State is proposing $25,900,000 of CDBG funds be allocated to address the increased homeless needs of impacted areas by increasing beds, facility capacity, supportive services for the homeless, and by providing prevention assistance to those persons who are at risk of becoming homeless.

In hurricane-impacted areas, many agencies serving the homeless lost facilities, beds and staff:

- More than 1,750 residential beds for the homeless were lost;
- Thirty-six shelter facilities sustained considerable damage; and
- Sixteen non-residential facilities sustained considerable damage.

In hurricane-impacted areas, there are reports that an increased number of persons are living on the streets or in parks, cars, and abandoned or uninhabitable buildings. Additionally, many of these persons were not homeless prior to the storms. These funds will assist in providing a safe and permanent place for these individuals to reside, and to get the needed supportive services to become independent and self-sufficient.

The proposed $25.9 million that is proposed for storm damaged areas is consistent with the State's goal to immediately restore and expand capacity in hurricane impacted areas, provide permanent supportive housing for the homeless, and to assist those persons at risk of becoming homeless who are low wage workers, physically disabled, victims of domestic violence or medically at risk seniors. Funding projections are based on the support and capacity required prior to and after the devastation in storm impacted areas.

The proposal allows for funding as follows: for acquisition, rehabilitation, and construction of residential shelter capacity; for supportive services targeted to high need and high risk homeless populations; for assistance to families at risk of becoming homeless; and for administrative functions.

The proposed funding is expected to help create 1,280 new beds in hurricane -impacted areas, bringing the total in those areas to 2,198.

5. Other Developer Incentives

The State recognizes that communities that lost the most housing due to the Katrina and Rita disasters will need to have special incentives in place to attract new mixed-income housing development—to restore both the rental and owner-occupied housing stocks. Homeowners who elect to take the relocation option will make it necessary to have a steady and large supply of new homes. Therefore, the following developer incentives are proposed, with a special focus on the New Orleans metropolitan areas and other communities with major losses to their housing stock.

The budget for incentives is provided in the table below:

Other Development Incentives

Program	Partially Funded	Fully Funded
Development Loan Fund	$16,570,000	$16,570,000
Land Assembly	$2,070,000	$2,070,000
Capacity Building Grants	$2,070,000	$2,070,000
Building Code Enforcement	$11,390,000	$11,390,000
TOTAL	$32,100,000	$32,100,000

5.1 Housing Development Loan Fund

The Housing Development Loan Fund would provide seed funding for a contractor or state agency to establish one or more loan funds that offer acquisition and predevelopment financing on flexible terms to developers of the most critically needed housing. Providing early, high-risk capital will be a powerful incentive for developers to build mixed-income housing in the communities that lost the most housing. Loans would be made to nonprofit and for-profit developers of new rental and single-family housing that is affordable to families with incomes that are below the area median, with a strong preference for well-designed residential communities and infill housing developments that also include families with incomes higher than the area median.

The Housing Development Loan Fund would be operated by a state agency or an experienced community development loan fund manager. A total of $16,570,000 in CDBG funds, including fund management costs, will be invested as “top loss” capital in order to leverage an estimated $30 million in additional lending capital. As two priorities, the loan fund would target developers participating in the rental assistance programs described in the previous section, as well as developers of mixed-income for-sale housing. As projects close their construction financing, the acquisition/predevelopment loans would be repaid and the lending capital would become available for additional investments. In a three-year period, it is expected that the funds will recycle two to three times.

5.2 Land Assembly Operations

As an additional way to jump-start development in the communities that lost the most housing, the Land Assembly component of the housing program will provide seed money to acquire multiple properties in good locations for replacement housing and “package” them for sale or grant to maximize further affordable housing development—for example, to developers using CDBG-supported LIHTC tax incentives to develop rental housing, to supportive housing developers, to self-help ownership housing developers, etc. This program component will operate only in those jurisdictions where:

- These activities are requested or supported by local governments; and
- Local governments have substantially engaged in the planning work required to target areas that are suitable for the development of replacement housing.

A total of $2,070,000 of CDBG funds are budgeted for capital to purchase residential properties as well as operating costs. The capital used to purchase properties will be recycled through sales of properties to developers.

As a related activity, properties assembled through buy-out programs, funded through the State's homeowner assistance program, might be offered at below-market costs to developers of affordable or special needs housing. One of the targets of these sales of State-purchased properties would be to encourage the development of mixed income developments that include renters with incomes below 40% of area median income. If such assembled properties were not purchased and developed by affordable developers in accordance with strict income requirements, they still might carry an inclusionary housing redevelopment requirement that a certain percentage of the units developed on CDBG assembled land would be affordable with less stringent income and pricing requirements, but still ensuring that mixed-income developments occur in redevelopment areas.

5.3 Support for Faith-Based and Community-Based Housing Recovery Programs

The State aims to strengthen community nonprofits and faith institutions already providing housing recovery services through the investment of $2,070,000 of CDBG funds in their activities. These entities may have opportunities to contract to provide some services in Housing Assistance Centers. They will be eligible to apply for grants to build capacity in providing supportive housing services. They will be eligible to apply for matching grants to supplement charitable fundraising they have done for housing recovery assisting low and moderate income homeowners in repairing or replacing their homes, as well as for seed money to develop repair and replacement housing for low and moderate income households.

These organizations will be encouraged to help expand the supply of supportive housing, affordable rental housing and affordable homes for sale by participating, as qualified, in program such as the LIHTC program, the CDBG piggyback program, the small rental program (if a nonprofit wishes to buy, repair and operate affordable rental properties), the flexible incentives program, and the Housing Development Loan Fund.

5.4 Funding of Building Code Enforcement by Local Governments

Without special assistance being provided to local governments, it is expected that a major impediment to housing development will be the lack of building, electrical and plumbing inspectors and permit processing staff. In addition, architects and builders will need inspectors and plan reviewers to help communities adapt to the new State Uniform Construction Code and to interpret the latest available advisory base flood elevations. Therefore, the State has budgeted $11,390,000 for hiring such staff for local government over a number of years, based on the numbers of damaged/destroyed units in each parish. It is expected that this amount will fund at least 40 field inspectors and plan reviewers, as well as a limited number of support staff.

The State will also support the expansion of code enforcement capacity by sponsoring additional training opportunities for inspectors, engineers and architects. While building code enforcement by local authorities will be supported by permitting and inspection fees in the long run, this initial CDBG funding is necessary to immediately expand enforcement capacity to expedite the construction of safer and stronger homes where the storm impact was most concentrated and building activity will be fervent in coming months.

6. Administration

With this amendment, the State is requesting a total of $148.68 million under current, partial funding levels, which includes the $8,810,400 requested in the first action plan and $189.880 when the program is fully funded.

7. Planning

With this amendment, the State is requesting $9.5 million of which $0 was requested in the first action plan.

8. Technical Assistance

With this amendment, the State is requesting $12.420 million, of which $500,000 was requested in the first action plan.

9. Other Requirements

9.1 Program Income

Because the allocation of federal resources will not meet the entire need for housing replacement in Louisiana, and because the costs of replacement housing are escalating in the storm-impacted areas, the State will recycle all income from sales of properties and collections of lien payments derived through actions of these CDBG housing programs. From a regulatory standpoint, recycled CDBG funds can be used for any eligible CDBG activity as described in the State's Annual Plans. The revenue generated by the program can effectively be used to achieve focused long-term housing goals by dedicating and restricting the use of recycled housing funds for future affordable housing programs. This could, in effect, create a revenue stream for the Louisiana Permanent Housing Trust Fund, which could be administered by a public or quasi-public agency at the state or local government levels. The policies shaping the housing reuse of revenues will be made at a later date, as detailed operational plans are being developed, but will continue to prioritize displaced residents and deeply affordable rental housing, and will help to sustain affordability as terms expire in many of the properties supported through the programs articulated herein in 10 to 15 years.

9.2 Promotion of Short- and Long-Term Recovery Planning

To promote sound short- and long-term recovery planning at the state and local levels that impact land use decisions that reflect the need for responsible flood plain management and growth, the State, through the Louisiana Recovery Authority, is leading community planning efforts in its most affected parishes. Dubbed

“Louisiana Speaks”, this effort is a multifaceted planning process to develop a sustainable, long-term vision for South Louisiana in the wake of the destruction caused by Hurricanes Katrina and Rita. The community planning process accomplishes the following:

- Supports a deliberate and democratic process that relies on active participation;
- Empowers local communities to develop plans that meet individual needs;
- Establishes priorities at the local level to guide decisions;
- Supports communities with the best national planning experts working in partnership with local architects, planners, and engineers; and
- Provides a user-friendly interface to enable development of individual plans.

The goal of the long-term community planning process is to develop a comprehensive plan that integrates both parish plans (coordinated with the support of FEMA technical assistance) and regional recovery plans. The LRA collaborated with planners from FEMA to develop a parish level planning process to address numerous recovery issues pertinent to the long-term recovery of severely damaged parishes. A total of 26 parishes throughout Louisiana were identified to participate in this planning process, which runs from November 2005 through April 2006. Louisiana Recovery Planning Day was an important part of the parish level planning process. On January 21, 2006, which was proclaimed Louisiana Recovery Planning Day by Governor Kathleen Babineaux Blanco, the Louisiana Recovery Authority (LRA) and FEMA’s Long-Term Community Recovery (LT CR) team hosted a series of open houses to provide Louisianans with an opportunity to express their needs and to help define a community-based vision for Louisiana’s recovery.

The parish level planning process will result in the development of initial parish recovery plans, which will be used to set funding priorities for the recovery effort. The final plans will include a community baseline, a needs assessment, a recovery strategy including principles, vision, goals, a set of high value recovery projects and a strategic recovery timeline. The final section will describe opportunities for the integration of the local plan with regional and statewide plans. The section will also include an inventory of local resources, government structures and describe the level of technical expertise needed to implement the plan. Emphasis in the planning process is on developing plans that are based on sound land use practices and plans that remain cognizant of the hazards of rebuilding in areas made more risky by new flood guidelines.

For a more detailed description of Louisiana’s long term and short term recovery planning efforts, please visit:

http://www.lra.louisiana.gov/assets/FINAL_QP2006_FEB%2006.pdf

9.3 High Quality Construction Methods

In a special legislative session in November 2005, Louisiana enacted its first statewide building code. The State Uniform Construction Code sets a minimum statewide standard to ensure the homes and businesses are rebuilt to withstand the next hurricane. Most coastal communities have begun to enforce the State Uniform Construction Code; the entire state must do so on January 1, 2007. Regardless of the location, however, it remains the State’s commitment to rebuild safer and stronger communities, so all homeowner assistance provided by *The Road Home* will be contingent upon enforcement of the code on homes built with program funds.

9.4 Monitoring

The OCD/DOA and the LRA will hire additional employees to carry out the administrative functions associated with the implementation and monitoring of the housing programs. The OCD has the staff expertise to train additional employees on the federal and state regulations governing the CDBG program. In addition, the State has contracted with ICF Consulting to provide additional training to staff, contractors, counselors, etc. The LRA has a mandate from the Governor and Louisiana Legislature to assure the coordinated use of resources toward the recovery and to support the most efficient and effective use of such resources. The OCD and the LRA will work together to achieve this goal.

The State has a monitoring plan for the regular CDBG program and will develop a monitoring guide for staff and contractors for each housing program. The plan will be revised somewhat to accommodate the waivers given to the State and other provisions cited in the legislation. The State has contracted with ICF to assist in the development of a monitoring plan for all housing related programs. Particular attention will be paid to ensuring that the use of funds are disaster related and that funding allocated will not duplicate other benefits. The State will ensure through its design of programs, application process, monitoring of recipients, and oversight by the LRA Board’s Audit Committee, that recipients are not receiving duplication of benefits and that funds are not used for projects or activities that are reimbursable by or for which funds have been made available by FEMA or by the Army Corps of Engineers and are abiding by state and federal regulations. The State, drawing upon the resources of the LRA and under its guidance, will coordinate with FEMA, the Army Corps of Engineers, insurance companies, and other entities during the application process to ensure there is no duplication of benefits. Recipients will be asked to sign a waiver of their privacy rights so that the State can obtain the appropriate information from FEMA and all other federal agencies.

The State is in the process of developing a Request for Proposal to provide program management services for the homeowner and rental programs detailed in this Action Plan amendment. The proposal will seek the best available management firm to assist in the implementation of these programs. The State will have staff assigned to monitor the services being provided under the contract.

9.5 Mitigation of Fraud, Waste and Mismanagement

The State has a number of processes and procedures in place to avoid fraud, abuse and mismanagement. The Legislative Auditor serves as the watchdog of public spending, overseeing more than 3,500 audits of state and local governments and their related quasi-public enterprises. Conducting independent financial and performance audits of the State’s agencies, colleges, and universities, auditors find ways to improve government and identify critical issues to protect public resources and tighten government control systems. When necessary, they follow up on allegations of fraud, waste, or abuse. The Legislative Auditor will perform an annual audit of the DOA in accordance with A-133.

In addition, the State has an established Office of the Inspector General. The office’s mission is to help prevent waste, mismanagement, abuse, fraud and corruption in the executive branch of state government without regard to partisan politics, allegiances, status, or influence. The Inspector General is appointed by the Governor.

The LRA Board has established an Audit Committee which, in conjunction with its LRA staff, is charged with ensuring that the work of the recovery is conducted in a manner consistent with the highest ethical standards. Throughout the recovery, the LRA Audit Committee and staff will receive and review reports from all governmental entities working to detect, prevent, and eliminate instances of fraud and abuse. It will serve as the body to bring together multiple audit and oversight groups to provide an independent review of the audit efforts themselves.

The Office of Finance and Support Services (OFSS), a section of the DOA, has established clear designation of responsibilities in order to ensure separation of duties. This separation of duties, along with other established operational policies and procedures, provides assurance that fraud cannot be accomplished without collusion among employees in separate areas.

The OFSS is responsible for payments, federal draw down requests, and state and federal financial reporting. The OCD is responsible for the day to day administration of the CDBG program. Their staff reviews all requests for payment and accompanying invoices to ensure costs are reasonable and within the scope of the activity funded. Two signatures are required on a request for payment prior to being sent to OFSS for payment. All payment requests are reviewed for proper authorized signatures prior to input into the financial system for payment. One employee actually inputs the properly authorized payment request into the financial system and the request must be approved in the system by the payment unit supervisor. Through financial system security, no one person can both input and approve a payment request.

The payment management unit of OFSS provides information to the appropriation accounting unit so that federal funds can be drawn. The federal draw down request is reviewed and approved by a supervisor prior to the draw down request being processed. All funds are electronically transferred to the State Treasurer's central depository account to be used to liquidate the payables. The financial reporting of the expenditure and revenue activities is prepared by the appropriation accounting unit. All reports are prepared by one employee and reviewed by the appropriate manager prior to release of the report/statement.

In addition, the State will hire an internal auditor who will be placed within the OCD to oversee the internal functions of this office. The auditor will report to the Commissioner of Administration and will make reports to the LRA Audit Committee as requested.

The State follows the State Procurement Code and all other sub recipients are required to follow Title 24 Part 84 and Part 85. The monitoring plan outlines the requirements that must be followed.

Training and technical assistance will be provided to local governments, contractors, and any other entity responsible for administering activities under this grant.

9.6 Mitigation of Flood Hazards

To mitigate flood risk, the LRA approved an allocation of $250 million in hazard mitigation funding to help parishes prevent damage from future disasters. Following approval of the Legislature, the Louisiana Recovery Authority (LRA) authorized the use of $150 million to help parishes prevent damage from future disasters by directing the Governor's Office of Homeland Security and Emergency Preparedness (GOSHEP) to distribute the first hazard mitigation funding available after Hurricanes Katrina and Rita to parish governments.

According to the formula approved by the LRA:

- $100 million will be dedicated to elevate and acquire severe repetitive loss properties.
- $136 million for other cost-effective acquisition or elevation projects, or for the retrofit of critical facilities.
- $14 million for mitigation planning and education.

The LRA has passed resolutions tying benefits and funding for communities and parishes to the adoption of the most up-to-date flood guidance as part of their floodplain management ordinances. The LRA has said it will only provide HMGP and CDBG funding in those parishes that adhere to the State's new building codes and adopt and enforce FEMA's Base Flood Elevation guidance in the construction or reconstruction of all homes, businesses, and other structures in the aftermath of Hurricanes Katrina and Rita

The LRA determined overall priorities for the use of HMGP funds that will serve as a tool for elevating projects for funding

The LRA also directed GOHSEP to prepare an application for HMGP funds for a five-year hazard mitigation outreach and education campaign aimed at educating Louisiana citizens, businesses and units of government about the best use of mitigation dollars

About 1,700 homes, or about one-third of the severely and repetitively damaged homes in America, are in Louisiana. These are structures that have suffered damages of $1,000 or more on at least four occasions, or have suffered damages of more than 50 percent of their value on two or more occasions.

To access these hazard mitigation funds, parishes will submit proposals to OHSEP. The funds, which are provided under the Stafford Disaster Relief and Emergency Assistance Act, require a 25 percent match from parish governments or state agencies. Distribution of these funds is subject to a formal review process in accordance with the Inspector General, Legislative Auditor, Commissioner of Administration and State Treasurer, as has been done for all funds distributed by GOSHEP since Hurricanes Katrina and Rita.

9.7 Encouragement of Energy Efficiency and Sound Environmental Practices

The State will encourage energy efficiency through implementation of its new state housing codes that include provisions for energy efficient repairs and construction. Further, the State will provide technical assistance to local governments and private and for profit developers to educate them on sound practices for eradication of mold and use of mold resistant materials and construction techniques.

9.8 Removal of Barriers to Reconstruction

Through the proposed Housing Assistance Centers the State will encourage expedited processing of assistance applications, permits for new construction, and constructions inspection. The staff of the Assistance Centers will provide feedback to the State on challenges they are encountering that interfere with the repair and production of housing. Based on the challenges identified, the State will work with local governments to expedite investments.

APPENDICES

APPENDIX 1

ACTION PLAN FEEDBACK FORMAT

First Name:
Last Name:
Organization:
Mailing Address:
Street 1
Street 2
City State Zip code
Phone Number:
E-mail Address:
May we contact you if we have questions about your comments? Yes No

Affiliation: Check any of the following that apply. Are you a:
Evacuee___
Homeowner whose property was damaged ___
Rental Property owner whose property was damaged ___
Local government official ___
Real estate industry professional ____
Other ____

<u>Comments on Owner Occupied Programs:</u>

1. Eligibility of Homeowners to receive assistance

2. Requirements for receiving homeowner assistance

3. Financial benefits for homeowners to repair and rebuild

4. Financial benefits for homeowners who resettle

5. Financial benefits for homeowners who elect to sell their homes and move away

6. Homeowners assistance centers and program administration

7. Please provide any additional comments that you have on the owner occupant program

<u>Comments on Rental Housing Programs</u>

8. Low-Income Housing “Piggyback” rental program

9. Small scale rental repair program

<u>Comments on Homeless and Supportive Service Program</u>

10. Supportive services housing program

11. Homeless shelter repair program

Comments on Other Developer Incentives

12. Housing Development Loan Fund

13. Land assembly initiative

14. Flexible Subsidies – Mixed Income

Other

15. Please provide your comments on other aspects of the Action Plan amendment of concern to you

APPENDIX 2

SAMPLE BENEFIT CALCULATIONS

CASE 1 –Repairing, Rebuild or Relocate in Louisiana

Assumptions

Homeowner information	
Pre-storm value	$110,000
Loss to home	30%
Eligible Mitigation costs	$35,000
Additional repair costs	$15,000
Other Compensation	
Insurance payment	$0
FEMA repair assistance	$5,200

ELIGIBLE ASSISTANCE: Lesser of ...

Program Ceiling: $150,000	or		$110,000	Pre-storm Value
		x	30%	Loss percentage
			$33,000	Damage Loss
		+	$35,000	Mitigation Costs
		+	$15,000	Allowed repair cost gap
		-	$5,200	FEMA
		-	$0	Insurance payment
			$77,800	

Incentive Grant: Lesser of ...

ELIGIBLE ASSISTANCE: $77,800	or		$110,000	Pre-Storm Value
		x	30%	Loss percentage
		=	$33,000	Damage Loss
		-	$5,200	FEMA
		-	$0	Insurance payment
		=	$27,800	

Mitigation Grant: Lesser of ...

Mitigation Costs:		Balance of Assistance		
$35,000	or		$77,800	Eligible Assistance
		-	$27,800	Incentive Grant
			$50,000	Remaining Eligible Grant

Incentive Loan: When Eligible Assistance exceeds Incentive and Mitigation Grants

	$77,800	Eligible Assistance
-	$27,800	Incentive Grant
-	$35,000	Mitigation Grant
=	$15,000	Affordable Incentive Loan

CASE 2 – Repair, Rebuild or Relocate in Louisiana

Assumptions

Homeowner information	
Pre-storm value	$250,000
Loss to home	70%
Eligible Mitigation costs	$40,000
Additional rebuilding costs	$0
Other Compensation	
Insurance payment	$150,000
FEMA repair assistance	$5,200

ELIGIBLE ASSISTANCE: Lesser of ...				
			$250,000	Pre-storm Value
		x	70%	Loss percentage
			$175,000	Damage Loss
		+	$40,000	Mitigation Costs
Program Ceiling: $150,000	or	+	$0	Rebuilding cost gap
		-	$5,200	FEMA
		-	$150,000	Insurance payment
			$59,800	

Incentive Grant: Lesser of ...				
			$250,000	Pre-Storm Value
		x	70%	Loss percentage
		=	$175,000	Damage Loss
	or	-	$5,200	FEMA
ELIGIBLE ASSISTANCE: $59,800		-	$150,000	Insurance payment
		=	$19,800	

Mitigation Grant: Lesser of ...				
Mitigation Costs:			Balance of Assistance	
			$59,800	Eligible Assistance
$40,000	or	-	$19,800	Incentive Grant
			$40,000	Remaining Eligible Grant

Incentive Loan: When Eligible Assistance exceeds Incentive and Mitigation Grants		
	$59,800	Eligible Assistance
-	$19,800	Incentive Grant
-	$40,000	Mitigation Grant
=	$0	Affordable Incentive Loan

APPENDIX 3
ELIGIBLE ACTIVITIES AND NATIONAL OBJECTIVES

The funds used to support activities in this Action Plan are CDBG eligible activities and will meet one of the three CDBG National Objectives. The Eligible Activities and National Objectives are:

Eligible Activities	Regulatory Citation	Statute 42USC5305
Acquisition	570.201(a)	Section 105(a) (1)
Homeowner compensation and incentives	Pending waiver	Pending waiver
New construction	Pending waiver	Pending waiver
Housing Advisory services to property owners	570.201(k)	Section 105(20)
Rehabilitation	570.202	Section 104(d)
Reconstruction		P.l. 104-234 amendments to Section 105(a)(4) of 42USC5305
Code enforcement	570.202(c)	Section 105(a) (3)
Planning, Administration, and Technical Assistance	570.205 and 570.206 and 570.201(p)	Section 105(12), 105(13), 105(19)
National Objectives		
Activities benefiting L/M persons	570.483 (b)	
Activities which aid in the prevention or elimination of blight	570.483 (c)	
Activities that meet particular urgency	570.483 (d)	

Exhibit D
SAMPLE CONTRACT

STATE OF LOUISIANA
CONTRACT

On this day of , 20 , the State of Louisiana, [*STATE AGENCY NAME*], hereinafter sometimes referred to as the "State", and [*CONSULTANT'S NAME AND LEGAL ADDRESS INCLUDING ZIP CODE*], hereinafter sometimes referred to as the "Contractor" or "*[CONSULTANT NAME*]", do hereby enter into a contract under the following terms and conditions.

1.0 SCOPE OF SERVICES

1.1 CONCISE DESCRIPTION OF SERVICES

[COMPLETE A BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED]

1.2 STATEMENT OF WORK

1.2.1 INTRODUCTION

This Statement of Work defines the tasks to be performed, the required deliverables, the completion criteria, estimated completion dates, the estimated cost for each Task Schedule; and establishes the responsibilities for accomplishing these tasks.

1.2.2 GOALS AND OBJECTIVES

[THE GOALS AND OBJECTIVES OF THIS CONTRACT]

1.2.3 PERFORMANCE MEASURES

The performance of the contract will be measured by the State Project Manager, authorized on behalf of the State, to evaluate the contractor's performance as against the criteria in the Statement of Work.

[PERFORMANCE SHOULD BE MEASURABLE AND TIME BOUND]

1.2.4 MONITORING PLAN

[Name and Title or Position] will monitor the services provided by the **contractor** and the expenditure of funds under this contract. [*Name and Title or Position]* will be primarily responsible for the day-to-day contact with the **contractor** and day-to-day monitoring of the **contractor's** performance. The monitoring plan is the following:

(MONITORING PLAN)

1.2.5 CONTRACTOR TASKS AND RESPONSIBILITIES

(*FULL DESCRIPTION OF SERVICES TO BE PERFORMED COMPOSED FROM THE SFO AND THE OFFEROR'S RESPONSE)*

1.2.6 DELIVERABLES

Acceptance of deliverables will be negotiated with the successful offeror at the time of contract negotiation. The Contract will be considered complete when Contractor has delivered and the State has accepted all deliverables.

1.2.7 SUBSTITUTION OF KEY PERSONNEL

The Contractor's personnel assigned to this Contract may not be replaced without the written consent of the State. Such consent shall not be unreasonably withheld or delayed provided an adequately qualified replacement is offered. In the event that any State or Contractor personnel become unavailable due to resignation, illness, or other factors, excluding assignment to project outside this contract, outside of the State's or Contractor's reasonable control, as the case may be, the State or the Contractor, as the case may be, shall be responsible for providing an adequately qualified replacement in time to avoid delays in completing tasks.

2.0 ADMINISTRATIVE REQUIREMENTS

2.1 TERM OF CONTRACT

This contract shall begin on [DATE] and shall end on [DATE]. State has the right to contract for up to a total of three years with the concurrence of the Contractor and all appropriate approvals.

2.2 STATE FURNISHED RESOURCES

State shall appoint *[NAME]* as Project Coordinator for this Contract who will provide oversight of the activities conducted hereunder. Notwithstanding the Contractor's responsibility for management during the performance of this Contract, the assigned Project Coordinator shall be the principal point of contact on behalf of the State and will be the principal point of contact for Contractor concerning Contractor's performance under this Contract.

2.3 TAXES

Contractor is responsible for payment of all applicable taxes from the funds to be received under this contract. Contractor's federal tax identification number is ______________________________.

3.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT

3.1 PAYMENT TERMS

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fee of <u>*$[TO BE INSERTED]*</u>. Payments are predicated upon successful completion and written approval by the State of the described tasks and deliverables as provided in Section

1.0. Payments will be made to the Contractor after written acceptance by the State of the payment task and approval of an invoice. State will make every reasonable effort to make payments within 25 work days of the approval of invoice and under a valid contract. Payment will be made only on approval of (*Name of Designee).*

During the execution of tasks contained in the Statement of Work, the Contractor may submit invoices, not more frequently than monthly. The payment terms are as follows:

(ENTER THE NEGOTIATED HOURLY RATES OR PAYMENT TERMS)

Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the contract.

Ten percent (10%) of fees approved by State Project Coordinator to be paid shall be withheld as retainage pending successful completion of the contract. Upon completion of all tasks contained in the Statement of Work to the satisfaction of the State, any amounts previously withheld as retainage will be paid.

4.0 TERMINATION

4.1 TERMINATION FOR CAUSE

State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Failure to perform within the time specified in the solicitation will constitute a default and may cause cancellation of the contract. Where the State has determined the Contractor to be in default, the State reserves the right to obtain any or all products or services covered by the contract on the open market and to charge the contractor with cost in excess of the contract price. Until such assessed charges have been paid, no subsequent proposal from the defaulting contractor will be considered.

Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract provided that the Contractor shall give the State written notice specifying the State agency's failure and a reasonable opportunity for the state to cure the defect.

4.2 TERMINATION FOR CONVENIENCE

State may terminate the Contract at any time without penalty by giving thirty (30) days written notice to the Contractor of such termination or negotiating with the Contractor an effective date. Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

4.3 TERMINATION FOR NON-APPROPRIATION OF FUNDS

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act of Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated.

5.0 INDEMNIFICATION & LIMITATION OF LIABILITY

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract.

Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State and its Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

Contractor will indemnify, defend and hold the State and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its Authorized Users may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User’s unauthorized modification or alteration of a Product; ii) Authorized User’s use of the Product in combination with other products not furnished by Contractor; iii) Authorized User’s use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the Authorized User’s exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.

For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of $100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the Contractor under the Contract. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

6.0 CONTRACT CONTROVERSIES

Any claim or controversy arising out of the contract shall be resolved by the provisions of Louisiana Revised Statute 39:1524-26.

7.0 FUND USE

Contractor agrees not to use contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

8.0 ASSIGNMENT

No contractor shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the contractor from assigning to a bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

9.0 RIGHT TO AUDIT

The State Legislative auditor, federal auditors and internal auditors of the Division of Administration, or others so designated by the DOA, shall have the option to audit all accounts directly pertaining to the contract for a period of five (5) years from the date of the last payment made under this contract. Records shall be made available during normal working hours for this purpose.

10.0 CONTRACT MODIFICATION

No amendment or variation of the terms of this contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the contract is binding on any of the parties.

11.0 CONFIDENTIALITY OF DATA

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

12.0 SUBCONTRACTORS

The Contractor may, with prior written permission from the State, enter into subcontracts with third parties for the performance of any part of the Contractors duties and obligations. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to the State and/or State Agency for any breach in the performance of the Contractor's duties.

13.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

The contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246 and all rules and regulations by the Secretary of Labor in Section 201 of E.O. 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990. Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, sexual orientation, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be g rounds for termination of this contract.

14.0 INSURANCE

Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-:VI. This rating requirement shall be waived for Worker's Compensation coverage only.

Contractor's Insurance: The Contractor shall not commence work under this contract until he has obtained all insurance required herein. Certificates of Insurance, fully executed by an authorized representative of the Insurance Company, shall be filed with the State of Louisiana. The Contractor shall not allow any sub-contractor to commence work on his subcontract until all similar insurance required for the subcontractor has been obtained and approved. Said policies shall not hereafter be canceled, permitted to expire, or be changed without the insurance companies endeavoring to provide thirty (30) days notice in advance to the State of Louisiana.

Compensation Insurance: Before any work is commenced, the Contractor shall maintain during the life of the contract, Workers' Compensation Insurance for all of the Contractor's employees employed at the site of the project. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

Commercial General Liability Insurance: The Contractor shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect him, the State, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either or them, or in such a manner as to impose liability to the State. Such insurance shall include the State as additional insured for claims arising from or as the result of the operations of the Contactor or his subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of $5,000,000.

Licensed Motor Vehicles: The Contractor shall maintain during the life of the contract, Automobile Liability Insurance in an amount not less than combined single limits of $2,000,000 per occurrence for bodily injury/property damage. Such insurance shall cover the use of any licensed motor vehicles engaged in operations within the terms of the contract on the site of the work to be performed there under, unless such coverage is included in insurance elsewhere specified.

15.0 APPLICABLE LAW

This contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this contract shall be in the Nineteenth Judicial District Court, parish of East Baton Rouge, State of Louisiana.

16.0 CODE OF ETHICS

The contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the Performance of services called for in this contract. The contractor agrees to immediately notify the state if potential violations of the Code of Governmental Ethics arise at any time during the term of this contract.

17.0 SEVERABILITY

If any term or condition of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Contract are declared severable.

18.0 COMPLETE CONTRACT

This is the complete Contract between the parties with respect to the subject matter and all prior discussions and negotiations are merged into this contract. This Contract is entered into with neither party relying on any statement or representation made by the other party not embodied in this Contract and there are no other agreements or understanding changing or modifying the terms. This Contract shall become effective upon final statutory approval.

19.0 ORDER OF PRECEDENCE

This contract shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Solicitation for Offers, its amendments and the Proposal; second priority shall be given to the provisions of the Solicitation for Offers and its amendments; and third priority shall be given to the provisions of the Proposal.

20.0 SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

21.0 "SECTION 3" COMPLIANCE IN THE PROVISION OF TRAINING, EMPLOYMENT AND BUSINESS OPPORTUNITIES

(a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.

(d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

(e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

(f) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

(g) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education

Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

THUS DONE AND SIGNED on the date(s) noted below:

______________________________	______________________________
CONTRACTOR'S SIGNATURE	STATE'S SIGNATURE
______________________________	______________________________
DATE	DATE